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e men were killed and "very criticill" last night after being by an explosion in orne Colliery near Wigan,

it blast

urt in

cal ambulancemen broke strike to take the badly survivors to hospital the blast in a roadway feet below ground. e 11 men were carrying maintenance work when accident happened. It took

r. Julian Griffiths, the Coal d's deputy-director (min-in the area, said: "We t yet know what caused nethanc to explode." Safety rts are investigating.

iers three hours to free

→ change in rman polls

Social Democrat and liberal Democrat Parties will be to maintain power in West following elections

irly computer estimates / that, although the opposi-Christian Democrats gained itly on their result four s ago, they failed to win ruption has been found according majority. The SPD ing to Mr. Ali Akbar Mointar, a little ground and the PDP Minister of State for the Plan-

elections held in the state Rhineland Palatinate, the

∍tnam riddle:

Vietnam and China now n to be ready for peace tobacco in although it is not clear Page 6 her Chinese troops have pletely vacated Vietnamese

anium inquiry

of a European Commission d be blocked if a public ry this week backs environtal protestors. Page 4

ımibia gloem

sign Secretary David Owen ved in New York for U.N. s on Namibia and said it hard to be optimistic about outcome. The talks will a whether the territory independence from South on terms acceptable to UN. Page 2

eatre row

ing stage staff at the ional Theatre, London, have suspended. Their action led to eight performances cancelled, costing an nated £20,000. The dispute ver negotisting rights for a ductivity deal

ain strike off

a planned 24-bour strike on order for George Clark and thesday in protest over NEM, the Tyneside marine engine builder. Page 5

eks from China's Great Wall being stolen for house lding, the Peking People's ly reports in a plea for proion of ancient monuments. aprakash Narayan, who led movement against Indian

le Grand Prix in San Carlos. HOOVER sales improve

Lonrho attacks Arab dealing

No. 27,818

LONRHO the trading and industrial conglomerate, has attacked attempts by Sheikh Nasser Sabah Al Ahmed, who controls a major shareholding, to replace two Lonrho directors with his own representatives.

The Sheikh and another Arab, Dr. Khalil Osman—both former directors of Lonrho— are also criticised for their dealings in Lonrho shares:

The company claims that, since October, 1974, the dealing activities of Sheikh Nasser and his associates, which allegedly included purchases of about 6m shares and sales of more than 4m. detrimentally affected the share price of Lonrho." Page 28

• ROYAL DUTCH SHELL is to receive about £29.5m from Gulf Oil in settlement of a contentious aspect of their nuclear partnership. Back Page

• SHELL AND ESSO have started laying a £30m gas gathering pipeline in the North Sea to link the Cormorant and Brent Fields. Page 4

• IRAN'S ISLAMIC GOVERNment will not honour any contracts in which evidence of corning and Budget office. Back

seemed certain to retain sumers surveyed in the latest Financial Times survey of consumer confidence, believe that the Chancellor should not increase the duty on all the tobacco in next month's Editable

her Chinese troops have pletely vacated Vietnamese tory. China claims the key to reace is Vietnamese with all from Cambodia. Page 2 grain market, has been halted altogether on orders of the Commodity. Futures Trading Commission, the market's police-

ey of uranium deposits in • U.S. BOND markets should land, including the Orkneys, set a firmer course this week as the state of the economy becomes clearer and a major benchmark issue goes on sale.

Page 31 SOCIETY OF BUSINESS ECONOMISTS study shows that many forecasts of economic indicators are not much better than projections on a no-change

basis. Page 4 • MIDLAND BANK is launch-'ing a- new long-term loan scheme for small businesses and creating a special unit to coordinate services in this area.

LABBUR

• BRITAIN faces a week of mounting disruption to its public services as ambulancemen and hospital workers plan to step up industrial action over pay. Back Page

• GOVERNMENT plan ders of 4,000 Southern guarantee payments for ship ion train drivers yielded to repair and conversion work may on executive pressure to call help save jobs and win a £30m

> • ENGINEERING Employers Federation is advising about 6,000 members to take a firmer and united stand against industrial action. Back Page

COMPARIES

SAINT - GOBAIN - PONT-A MOUSSON, France's largest quoted company, reports a drop me Minister Indira Gandhi's in net profits at parent company e in 1974, is critically ill. He level to FFr 266m (£30.5m) from FFr 354m in 1977, following ry Sheene won the 500cc the same trend as the group as nt of the Venezuelan Motor- a whole. Page 29

workers on strike in ments, in both home and export erpool for 22 weeks return markets, will continue this work today after accepting a year, says Mr. M. R. Rawson, grading scale worth 23 per chairman, in his annual review.

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nnett report 15 litorial Comment: Law of

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an's Dry.

Week in the Courts: Cottage on Peasant's Gold 12 Eurobonds: Quotations and Sea; British Steel F.T. Survey: Consumer assets of \$24bn.

16-27 U.S. banks with combined panies Act.

The largest transaction assets of \$24bn.

The largest transaction approved by the FRB was a pro-

> World Econ. Ind.... Base Landing Rates ANNUAL STATEMENTS Rotaflex (G.B.) ... Ultramar PROSPECTUS

For latest Share Index phone 01-246 8026

Government may face crucial test in no-confidence vote

BY RICHARD EVANS, LOBBY EDITOR

The Government's ability to survive into the summer or autumn is now likely to be put to a crucial test in a vote of no confidence at the end of the month backed by the Conservatives, Liberals and Nationalist MPs.

This would be the inevitable probably be made by the create the option of a June outcome of the Prime Minister's Nationalists because of the election. statement to the Commons tomorrow or Wednesday if, as expected, Mr. Callaghan declines to announce an early date for the debate on the result of the Scottish referendum on devolution.

The Scottish Nationalists, who have given the Government an ultimatum to debate the Order repealing the Scotland Act, were standing he their threat last night to table a motion of no confidence if there is no debate planned for next week.

They would certainly be toined by the Welsh National-ists, Liberals and Conservatives and Mr. Callaghan would be faced with the real prospect of defeat and a General Election at o time not of his own choosing. The complex Commons arithmetic shows that his fate would depend on the attitude of the University MPs, who are reliving their position of influ-

ence more than ever.

But the signs are that Mr.
Callacher has decided to take the gamble of his political career and face the challenge of a motion of ro confidence rather then the even greater danger of defeat on devolution at the hands of his own porty rebels. Their uncompromising Scotland Act would almost cerof the Nationalists.

delay in debating devolution. the Conservatives will table their own motion of no confi-Scottish Nationalists and three Plaid Cymru MPs have signailed their intentions.

As the main Opposition party, the Tories would take pre-cedence, and it would be their terse motion of no confidence in the Government that would be debated. The Nationalists and the Liberals have already made it clear they would support such a motion.

Mr. Callaghan believes that maintaining the Government's commitment to devolution by delaying the debate on the annulment. Order will give him more scope to manoeuvre than seeing the Scotland Act killed off and then facing the inevitable motion of no confidence. The tactic of delay will help maintain fragile Labour Party unity in Scotland and will give some scope for dividing the Nationalists.

Option

The purpose of Mr. Callaghan's statement this week will be to gain time by seeking allattitude would mean that the party talks on the annulment Order and the future of devolutainly he repealed, to the fury tion. If the Government can gain the sanctuary of the Easter Although the first move will recess on April 12 it would

Although the indications are that this timetable will not be fast enough for the Nationalists, Ministers doubt if the SNP is as anxious for an early election as is claimed. Opinion polls and referendum results show that the Nationalists could lose half their Parliamentary seats.

if the Government was defeated in a vote of no con-fidence next week, before the Budget on April 3, there would have to be a spring election and agreement between Government and Opposition on whether to introduce a technical revenueraising Budget before Parlia-

ment was dissolved.

A ploy that could divide the Nationalists would be to offer a debate on the Scotland Act Order in April, after the Budget. This could dissuade some-Nationalists from pressing ahead with the motion of no confidence and would make certain that the Government reached the recess—Mr. Callaghan's prime concern.

The events of the next 10 days should determine whether the Government can hang on. and the critical factor will be the attitude of the Ulster Unionists. The perilously balanced Commons arithmetic gives combined Opposition parties a voting strength of 308 and Mr. Callaghan's minority Gov-ernment and its allies 310 votes.

Saudi and Jordan Still hostile to peace treaty

PR-ESIDENT CARTER'S national security adviser, Mr. Zbigniew Brzezinski, arrived in Cairo last night after visiting Saudi Arabia and Jordan, where he apparently had little success in trying to stem bostility to the proposed Egyptian-Israeli peace

A Saudi statement after his visit indicated that the treaty an inadequate solution to the Middle East conflict.

Mr. Brzezinski's trip to Jordan

came the day after a highly significant meeting between King Hussein and the Palestinian leader Yasser Arafat of which Jordan emphasised its determination to press for a comprehensive settlement. The Jordanian Government.

with its vital involvement in the resolution of the Palestinian issue, made a brief statement after the visit reaffirming its support for "comprehensive peace." and implying disapproved of the separate treaty.

Egypt last week tried to put its case to Saudi Arabia, whose large scale financial support is crucial but Vice-President Hosny Mubarak is understood to

when he visited Riyadh.



Mr. Zbigniew Brzezinski moves on to Cairo

With Iraq now calling for another Arab summit, and urging the implementation of the economic and political boycotts of Egypt outlined at the have received a cool reception Baghdad meeting last Novem-

ber, the attitudes of Saudi Arabia and Jordan are central to deciding whether President Sadat of Egypt is going to be effectively isolated from his former close allies. Mr. Brzezinski was to report to him on his trip.

Prime Minister Mustapha Khali! of Egypt insisted at the weekend that the treaty would not in any way weaken the country's ties with other Arab countries. He claimed that it was a triumph for both Egypt and the Palestinians.

The Treaty would mean the would regain East Jerusalem—annexed by Israel after the 1967 war-and Israel would withdraw behind its borders of 11 years ago, Mr. Khalil claimed.

He dismissed as "baseless and utter lies" any suggestions that Egypt was about to sign a separate peace with Israel. However, publication in Cairo yes terday of the Arabic version of interpretative letter attached to the treaty would seem to indicate very little "linkage" between the agreement and moves towards estab Continued on Back Page

NatWest may have to spend extra \$100m. on U.S. deal

BY STEWART FLEMING AND MICHAEL LAFFERTY

THE National Westminster problem. "I do not see it as a Marine Midland, however, still Bank may have to spend a further \$100m or more buying control of the National Bank of North America as a result of conditions the Federal Reserve Board has laid down in granting approval for the deal to

The conditions could present NatWest with a significant but by no means insurmountable bstacle to the acquisition and might involve it in having to negotiations with reopen NBNA's owners CIT Financial. This is one of several loose ends which remain to be tled up before the three foreign banks which received FRB approval on Friday can proceed to buy three

tions between the parties will start immediately. Mr. Alex Dibbs, the NatWest deputy chairman, may visit the U.S. The obvious solution is for

described as "an obvious pos-siblity" by the NatWest chief

not "unduly worried" about the

major obstacle." NatWest would wait until today to decide on a course of action, he said. Meanwhile, Mr. Walter Holmes, chairman of CIT, warned that a fundamental condition of its agreement to accept NatWest's offer was a determination by the FRB that after the sale CIT would no longer

company. "The sale will not be made unless we are able to resolve this issue. We are immediately going to address ourselves to seeking a solution to this problem." CIT is under no pressure to divest itself of NBNA under the 1970 Bank Holding Com-

posal by Hong Kong and Shanghai Banking Corporation to buy by the end of 1980 51 per cent Marine Midland Banks of New York for about \$62m. The FRB NatWest to purchase 100 per also said that Standard posing of 75.1 per cent of NBNA cent of NBNA, and this was Chartered Group of London since its remaining 24.9 per cent Los Angeles for \$372m, and Natexecutive, Mr. Jeff Benson, yes-terday. Mr. Benson said he was West could buy 75.1 per cent of NBNA for \$300m.

The Hong Kong deal with

needs the approval of the New York State banking superintendent Miss Muriel Siebert. As Marine Midland is a state chartered bank, Miss Sieberi must authorise any shareholder wanting to exercise voting rights

of the voting capital after the shareholding has been acquired. be a regulated bank holding In its statement on the Hong Kong-Marine Midland deal the FRB notes that Miss Siebert did not recommend denying Hone Kong and Shanghai Bank approval to buy control of Marine. Miss Siebert's attitude to the transaction could be influenced by the fact that Marine is in need of the additional

capital So far as the NatWest agree ment with CIT Financial is concerned, the FRB decision raises a central issue for the U.S. company. The FRB determined that CIT would not cease to be a bank holding company by discould purchase Union Bank of stake could leave it in a position to exercise influence

Foreign banks break through in U.S., Page 14 Lex Back Page

OPEC MEETS NEXT WEEK

African oil producers plan surcharges

BY KEVIN DONE, ENERGY CORRESPONDENT

NIGERIA, Libya and Algeria, a price of about \$19.50 a barrel the three major African crude for light crude, similar to oil exporting countries, are expected to introduce surcharges of \$2.50 to \$5 a barrel will have an official selling charges of \$2.50 to \$5 a barrel to warter. from April 1.

The three countries, which together account for about 17 per cent of OPEC production, met in London last week to discuss a co-ordinated pricing strategy in advance of the OPEC consultative meeting in

Geneva on Monday next week. OPEC members are to discuss the dislocation in world oil markets caused by the 10-week halt of crude exports from Iran. Several OPEC producers have already taken unilateral action to raise their official selling prices above the levels agreed at their last meeting in

Moderate members have stressed that next week's meet-ing in Geneva has not been called to change the basic oil April 1. price structure, but the meeting is likely to endorse action by individual producers to impose their own "temporary sur-charges" for rs long as crude oil remains in short supply.

Main source

The African producers are one of the main OPEC sources of light, low-sulphur crude oil, the grade most in demand in world oil markets. Algeria has already made it

clear that it considers a pre-mium of up to \$5.15 a barrel above the OPEC basic justified in the second quarter. This would bring the price of its Saharan blend to \$19 a barrel.

OPEC marker crude, by more

OPEC in December for the second quarter this year. The present OPEC marker is due to rise to \$13.85 on April Algeria has churged only an agreed quality premium of \$1.46 a barrel in the first quarter but has told buyers this could be increased to \$5.15 a barrel in the second quarter. Some oil traders are concerned. however, that two "marker" crude prices could emerge in the second quarter after the

OPEC meeting. It appears that Iran has already sold most of the oil it will be able to produce for export in the second quarter at

quarter. If Iraq, which has already applied a surcharge of \$1.20 a barrel in the first quarter to its similar light crude, decides to press for higher increases in the second quarter, it is possible that two "marker" prices for light 34-35 degree API crude will emerge, adding greatly 11

the present pricing uncertainty. At the very least, pressure is bound to mount on Saudi Arabia to add a surcharge to the base price for Arabian light:

Of the African producers, Nigeria is still to add any premium to its levels set in December. But following last week's London meeting it is expected to look for an increase of at least \$2.50 a barrel from

Japan buying

Libya, which applied a surcharge of \$1.38 a barrel on March 3, is expected to seek a premium of \$3.85 a barrel above the market price from April 1.

Pressure to secure Iranian supplies has been increased in recent days by the Independent off companies, especially those from Japan, which face shrink ing supplies from the major international oil companies. It is understood that about 10 per cent of Iranian second quarter supplies have already been sold to a single Japanese oil trading house, Mitsui, as part of a longer term contract.

Mr. E. G. Werner, a monaging The final price could be director of the Royal Dutch/ higher if Saudi Arabia increases Shell group, has warned that the the price of Arabian light, the presnt level of oil stocks in the consuming nations is rapidly than the 3.8 per cent agreed by approaching the minimum neces sary for orderly operation. " I can see no possible way of building up stocks to a more comfortable level when we enter the winter season." he said.

FT guide to EMS intervention rates At the beginning of the first

full week of the seration of the European Monetary System, the Financial Times today publishes a guide to the limits within which member currencies must operate. Page 2

Railway pension funds to end art buying

BY CHRISTINE MOIR

British Rail's pension funds are to stop their controversial policy of buying works of art. Mr. John Morgan, the general manager, has agreed to let the fine art fund spend up to £12m more on "rounding out" existing collections but all buying will then

The funds' art purchases to date amount to £28m and in-clude 12th-century caudic-sticks. Picasso's "Young Man in Blue" and Chinese and Egyptian antiquities.

Since 1974 British Rail has been spending in the fine art auction rooms around 4 per cent of the new money flowing into its pension funds each

When that policy became publicly known last year it aroused a storm among MPs and trade unionists.

At the time BR defended itself on the grounds that it needed to diversify its investments as widely as possible and to seek the maximum shelter from future inflation. But art works are also a headache to own, expensive to insure and produce no income offset the cost of exhibiting

British Rail is also daunted by the way the fine art collection would grow if it con-tinued to commit a fixed proportion of its income to such purchases.

Mr. Morgan said: "The trustees have now decided that fine art should not represent a major diversifica-tion in a portfolio of this size." British Rail's pension funds already total £750m and are growing at around 10 per cent a year. Mr. Morgan has also de-

cided to pull out of investment in commodities. A similar sum to that invested in fine art has been invested in commodity unit trusts over The trust avenue chosen hecause British Rail could not supply its own commodity management team. But, put simply, British rail's

funds and their income are

too big for this avenue.

At present the funds budget keep about 10 per cent of their money in cash and fixed securities, 40 per cent in UK equities, 10 per cent in overseas securities and 25 per cent in property. A further 8 per cent has been in commodities and fine art, leaving 7 per cent flexible.



gract

Emirates

in crucial

unity

debate

By Kathleen Bishtawi

the federation in 1971.

THE UNITED Arab Emirates is

to have one of its most crucial meetings of the seven rulers

this week since the creation of

The Supreme Council of the

UAE is to meet today to discuss

a 10-point memorandum put for ward last month by the UAE federal council. Ever since the

upheaval in Iran, the ruling sheikhs have, for the first time in recent years, been getting down to serious negotiations

about measures to strengthen the union and bring greater

There are however a number

of tricky points on the council's

agenda. The most troublesome western diplomats see, is the question of the armed forces.

for about a year ago Sheikh

Zaid, President of the UAE and Ruler of Abu Dhabi, appointed his son, Sultan, as Commander-in-Chief of the armed forces, with seemingly little reference to Sheikh Rashid, vice-president

and Ruler of Dubai, and his son. Sheikh Mohammed, Minister of

Defence. Any change now in the army's leadership would thus involve a climb down by either

emirate, unless a compromise

Another item on the agenda concerns the establishment of a

central bank in the emirates a move which some rulers have

resisted, fearing greater econo-mic control from Abu Dhabi, the richest Emirate. The draft

law of the central bank would

require each emirate to channel

part of its oil or other revenues

through the bank, and also make

at the moment only Abn Dhabi

with its massive oil income, con-

tributes to it. However, the

rulers are now understood to

be discussing various formulae

whereby each emirate will con-

tribute to the budget in accord-

ance with their financial capability.

The supreme council meeting

has been long awaited and fol-

man federal council for greater unity within the country after

the unsettling events in Iran

The seven rulers have not had

a supreme council meeting since November 1976.

Left's hopes

French poll

polls yesterday in the first round of cantonal elections

which, although their impor-

tance has been played down,

will give a measure of the Government's standing a year

after its hard-fought general

The ballot is for half the seats

in each of France's depart-mental councils, Councillors, one from each canton, sit for

six years and are elected in two

batches every three years:
The poll is expected to follow recent by election trends and strengthen the position of the

left wing parties in a number of departments, in several of which the Government's cen-trist and Gaullist candidates

stand to lose their majority.
The last cantonal elections in

1976 gave the left just over half

the total vote and were followed

economic policy at a time when

unemployment has become the main political issue.

The elections were taking place in 1,763 cautons in metro-

politan France and 71 overseas.

Early indications suggested a fairly low turn-out in poor weather with only 20 per cent of the 18.6m eligible voters placing their ballets before

Cantonal elections are tradi-

cantonal elections are tradi-tionally a source of some indifference and their sig-nificance has been overshadowed this year by the forthcoming European Parliament ballet. But M. Georges Marchais, the Communist leader, last week said they would reinforce the censure motions which were

censure motions which were brought by the Opposition during an emergency Parlia-mentary debate on unemploy-ment which ended on Friday.

Carter energy move

President Carter is to confer at

Camp David today with senior Cabinet and White House

officials on a new national

energy policy and a possible strengthening of the existing

anti-inflation programme, Jurek

Martin writes from Washington.

Mr. Carter will in the next few

weeks elect to retain, phase out

or completely remove federal

controls over domestic oil

The special meeting may also

The key question is whether

By David White in Paris

rise in

election victory.

long term deposits with it. The financing of the federal budget has also proved a per-ennial problem for the UAE, for

candidate can be found.

cohesion to the country.

King Hussein of Jordan into the ing with the Jordanian army, proposed negotiations with The rapprochement between proposed negotiations with The rapprochement between Israel and Egypt over the future Jordan and the PLO emerged on status of the occupied West the eve of the arrival here of Bank and Gaza were badly set back again over the weekend by a historically important meeting between Jordanian and Palestinian leaders. They reaffirmed their commitment to the November Arab summit in Baghdad, which pledged stringent measures to isolate Egypt from the rest of the Arab world in the wake of a separate Egyptian-

Israeli peace agreement. Four hours of talks in Northern Jordan between King Hussein and Mr. Yasser Arafat. of the Palestine Organisation and their delegations were followed by a joint state-ment affirming the commitment to the Baghdad summit decisions and pledging joint action to enable the Palestinians living under Israeli occupation to withstand the limited auto-nomy plan for the West Bank

The two sides stressed the Palestinian people's rights "to

Mr. Arafat's visit, on the invitation of King Hussein, is the to Jordan since the Palestinian The observers said King army expelled resistance movement left here Hussein endorsed a proposal by Jordan in 1971.

There is a combination of President Hafez Assad already bewilderment and embarrassment among members of the Jordanian leadership in the face of the American drive to elicit Jordanian support for the Camp David negotiations over the future of the West Bank and

While the Americans would like to bring Jordan into the talks with Egypt and Israel, the exact opposite has been hap-pening. Jordan has been steadily finding more comfort, if not material assistance, in the auti-Egypt consensus of the Arab world that has emerged during cided to set up a higher committee for future co-ordination,

according to informed observers The formation of the comdetermination and the establish- mittee, which will be headed ment of their independent state jointly by Mr. Arafat and Jordanian Prime Minister Modar Badran, is one of the main results of the meeting between

AMERICAN hopes of drawing after the 1970 and 1971 fight- Mr. Arafat for holding an Arab mini summit in Saudi Arabia to chart a common Arab course foreign and economy ministers, Dr. Zhignien Brzezinski, the U.S. called by Iraq to enforce Security Affairs Adviser who immediately held talks over lunch with King Hussein. Called by Iraq to enforce sanctions against Egypt. Mr. Arafat was reported to have told the monarch that Syrian

> endorsed the idea. King Hussein laid a special emphasis on the need to boost the military strength of Arab frontline states, namely Syria, Iraq, Jordan and the PLO, the observers said, and added King Hussein told Mr. Arafat that Jordan intends to obtain sophisticated weapons "irrespective of the source." At present all Jordanian arms supplies are

provided by the West. Reports in the Press here yesterday said Mr. Arafat pro-prosed Al Mafraq, some 45 miles from Amman as a site for the and since the Baghdad summit. talks because he was afraid that Ihsan Hijazi adds from Beirut: if he went to the Jordanian capithe PLO and Jordan have detal Palestinians would try to talks because he was afraid that if he went to the Jordanian capiorganise demonstrations in his support against the wishes of the

Jordanian Government ()n bilateral relations, the daily As Safir here which is close to the Palestinians, said there was no "oualitative" breakthrough. Jordan continued to refuse to allow the guerrillas to re-establish military bases on first official visit he has made Mr. Arafat and King Hussein. Its territory. King Hussein's

Hostile reply to Rhodesia plan

BY OUR FOREIGN STAFF .

elections in Rhodesla and negotiations over conditions for holding them received a hostile reception from all but one of the transitional Government leaders in Salisbury yesterday.

The statement, issued simultaneously in London and Washington, by Dr. David Owen, the British Foreign Secretary, and Mr. Cyrus Vance, the U.S. Secretary of State, said that they did not believe that the elections planned for April 20 would stop a protracted war within the country. It was hoped that negotiations in internationally supervised elections could begin before April 20. The statement was being seen

mischievous attempt to disrupt

S. Africa

moves to

curb Press

DRAFT LEGISLATION to place

reporting of South African

police actions under the same effective censorship as military

activity has been introduced in

the South African Parliament.

men liable to up to five years in gaol, or a fine of R.10,000

(£5,900) if they publish allega-

tions against the police which

they are unable to prove in court. A police Press liaison

unit is expected to be set up to "process" all articles about

The action, by Mr. Jimmy

Kruger, the Minister of Police,

the police.

The Bill will make newspaper-

THE JOINT call by Britain and the voting rather than a con-the U.S. for all parties to accept structive effort to solve the the principle of UN-supervised crisis. Only one Rhodesian political leader—Chief Chirau who has long favoured all-party talks, welcomed the suggestion, saying he favoured an imme-

diate conference. None of the leaders com-mented on the call for UN-supervised elections, but restricted their criticism to the Anglo-American suggestion of negotiations over how to hold

The Rev. Ndabaningi Sithole said all-party talks before the announced at the weekend a poll next month would be general amnesty guaranteeing disastrous." Dr. Owen was nationalist guerrillas "a safe merely trying to dleay the elec-

Smith would not allow a con- distributed.

fererence to produce anything positive," Mr. Sithole claimed.

Bishop Muzorewa also accused Dr. Owen of gimmickry. Britain and the U.S. had been told last October in Washington that the transitional govern-ment favoured an all-party meeting and on several sub-sequent occasions leaders of the interim government appealed to Dr. Owen to convene a meeting. There was no

comment from Mr. Ian Smith. The transitional Government before the elections. One and He agreed with the concept of a half million pamphlets in three all-party talks, but the timing different languages appealing to was wrong. Personal antipathy between Dr. Owen and Mr. return home in peace are to be

Little optimism at start of UN Namibia talks

BY OUR UN CORRESPONDENT

MINISTERIAL talks open in independence from South Africa this year on terms acceptable to the UN, or becomes another Rhodesia, unrecognised as a Angola have been targets of state and the target of an economic boycott.

A spokesman for SWAPO in

Mr. Cyrus Vance, the U.S. Secretary of State, Dr. David Owen, the British Foreign Secretary, Mr. Donald Jamieson, the Canadian External Affairs
Minister, and the Deputy
Foreign Ministers of France and
West Germany will confer for
two days, with a South African delegation led by Mr. Pik Botha, the Foreign Minister.

The Western Ministers will have separate talks with a comes at a time of considerable pressure within the ruling National Party to introduce deputation from the South West shift his stand.

Africa People's Organisation The matter has become more (SWAPO) including Mr. critical than ever now because Mishake Muyongo, its vice- the Democratic Turnballe president. Representatives of Alliance, which won local wider-ranging legislation to curb Press reporting. Opposition newspapers have been instru-

At the same time the Security New York today which could Council takes up today a com-decide whether Namibia obtains plaint by Angola of repeated Council takes up today a comacts of aggression by South African forces from bases in Namibia. SWAPO units in

A spokesman for SWAPO in New York said again yesterday that UN monitoring outside Namibia was not acceptable and was not part of the western plan. The obstacles to a final accord are formidable and none participants are

optimistic. Saying that the talks represented probably a last chance for a peaceful transition, Mr. Botha insisted before he left South Africa that he would not

by victories in municipal elections the next year. Although results on a national scale are likely to be distorted by a low turn-out and by local issues, they will give a clue as to how far the leadership of mental in exposing the mission mental in exposing the mission spending of state money by the former Department of Information, which has severely embarrassed the government. Here Southern African front elections in Namibia in December Department of Information, which has severely embarrassed the government. Here southern African front elections in Namibia in December Department of Information, which has severely embarrassed the government. the four main parties is followed by their electorates, and as to how harshly the French public judges the Government's

This aurouncement appears as a matter of record only.



European Coal and Steel Community ("ECSC")

Private Placement

£5,000,000

Sterling Foreign Currency Graduated Rate Notes due 1984/89

Daiwa Europe N.V.

Nippon European Bank S.A.

Sumitomo Finance International

Yasuda Trust and Finance (Hong Kong) Limited

THE FT GUIDE TO THE EMS

	D-Mark	French franc	INTERVENT		Italian lira	Danish krone	Irish punt	ECU central rates; % divergence indicator
D-Mark		2.2581 2.3621	1.0596 1.10835	Belgian franc 15.3665 16.0740	430.698 485.576	2.7598 2.8864	0.25806 0.269937	2.51064 ±1.1325
French franc-	4.2335		4.5880	66.5375	1,864_9	11.9490	1.11739	5.79831
10	4.4285		4.7990	69.600	2,102.5	12.4985	1.16881	±1.35
Dutch guilder	0.90225 0.94375	2.0838 2.1796		14.1800 14.8325	397.434 448.074	2.5464 2.6636	0.23813 0.249089	2.72077 ±1.5075
Belgian franc	6.2210	14.3680	6.7420		2,740.44	17.559	1.64198	39.4582
100	6.5080	15.0290	7.0520		3,089.61	18.367	1.71755	±1.53
Italian fira	2.059	4.7560	2.23175	32.365	_	5.6130	0.543545	1,148.15
1,000	2.322	5.3620	2.5160	36.490		6.5530	0.612801	=4.0725
Danish krone	3.4645	8.0010	3.75425	54.445	1,526.05	· –	0.914343	7.08592
10	3.6235	8.3690	3.9270	56.950	1,720.45		0.958424	±1.635
Irish punt	3.7050 3.8750	8.5555 8.9495	4.0145 4.1995	58.2225 69.9020	1,631.35 1,839.78	10.4555 10.9365	_	0.662638 ±1.665

Belgian franc Lux. franc Danish krone Irish punt-£ sterling French franc D-Mark 0.828 (33%) 0.0885(13.4%) 1.15 (19.8%) 109 (9.5%) 0.286 (10.5%) 3.66 (9.2%) 0.14 (0.35%)

QUANTITIES OF EACH CURRENCY IN ECU BASKET + WEIGHTING PER CENT

THE TABLE illustrates all the potential points at which Central Banks will be required to intervene under the European Monetary System, which was formally introduced last week

There are two basic mechanisms which can measure the point at which a currency has risen or fallen beyond its EMS limits. They are the "parity grid" system; and the European Currency Unit "ECU divergence indicator."

1—Parity grid: The first seven columns of the table show the upper and lower intervention rates for all currency within the EMS amilower in other gurrancies within the system.

the EMS against all other currencies within the system. The Deutschemark, for instance, can rise to a maximum level within the snake of FFr 2.3621 (line one, column two). The other side of that same equation is that the French Franc can fall to a minimum level against the D-mark of DM 4.2335 for 10 francs (line two, column one),

Under the EMS rules, no member currency can move by more than 2.25 per cent against any other currency. The exception is the Italian Lira, which can move by up to 6 per cent

2—The ECU Divergence Indicator: The "European Currency Unit" is at the centre of the EMS system. It is referred to either as a currency basket or a currency cocktail. It is a notional unit of currency, similar to an International Monetary Fund Special Drawing Right (SDR). Its make-up is shown across the bottom

The British pound continues to be a component of the ECU although the UK is not a member of the EMS. The precise mix of the "ECU cocktail" is derived from differing shares of EEC The central rate of each EMS member currency against the

ECU is shown in column eight of the table. It is against this central rate that the "ECU divergence indicator" will be Each currency has been allocated a maximum percentage

deviation against its ECU central rate (shown as a percentage figure in column eight. When it has reached this threshold, there is a "presumption" (but not an "obligation") that action

will be taken to rectify this situation. The maximum divergence indicator against a currency's ECU central weight varies from currency to currency. It is based on central weight varies from currency to carrency. It is based on a formula for each currency which is: $\frac{1}{4} \times 2\frac{1}{4} (1-wi)$, where will sthe weight of the currency in the ECU. (In the case of Italy, the figure six displaces $2\frac{1}{4}$ in the formula; Luxembourg shares a divergence factor with Belgium, with which it has an effectively common currency.)

The EEC Central Banks were last week refusing the release of these divergence factors, apparently in an attempt to make the lives of currency speculators harder.

If a currency reaches these limits, it is "presumed" that the errant Government will consult with its EEC partners and take action in one or all of the following ways—intervention in the exchange market, changes in domestic monetary policy, changes in central rates (devaluation or revaluation) or other economic policy measures.

This complicated double system results from wrangling when the EMS idea was being developed. The old currency stake involved only the parity grid system. The potentially weaker members of EMS felt that the parity grid tended to put the onus for adjustment on to the weaker countries and to demand no compromise from strong currency members. It was thought that the ECU divergence indicator would spread the onus for action

more equitably. Germany, which is adamant that it should not be forced endorse inflation in its own currency because of EMS, resisted this innovation. At a result the system today is a mixture of unbendable limits defined in currencies, and indicators of some sort of obligation to take corrective action, based on the ECU.

One of the ironies in the lengthy debate that has led to EMS is that if the system had started on January 2, as originally planned; and if Britain had participated, the current strength of sterling would now be causing it to be pushing up against its upper limits under the divergence formula. An innovation which Britain favoured as a weak currency country, would now be forcing it to face up to the responsibilities of a strong one.

Vietnam, China ready to talk

BY OUR FOREIGN STAFF

BOTH VIETNAM and China posal as confirmation of comclaimed at the weekend to be ready for peace talks, though it s still unclear whether Chinese troops have completed their retreat from Vietnamese terri-

China's premier, Xiaoping has claimed that Chinese troops have now "entirely" withdrawn from Vietnamese territory. Stressing Chinese eagerness to open talks with the Vietnamese, he claims withdrawal from Cambodia, An official Chinese statement insisted that continued occupation of Cambodia would lead to "to-thinkable grave consequences."

Vietnam's official Communist Party newspaper. Nhan Dan. yesterday proposed that peace talks should start on Friday (March 23), and suggested Hanoi, or the flattened city of Lang Son, as the venue. Some Bangkok analysts took this pro- warned

Hoveyda, for 13 years the Prime Minister of the deposed Shah,

may well be transferred from

the Revolutionary Islamic Court in Tehran's Qasr Prison to the

Senate or Ministry of Justice,

according to Mr. Assadollah Mobashri, Justice Minister. At the same time, the Cabinet has approved Bills for dismantling the existing French-style legal system in favour of one based

On Friday, Ayatollah Kho-meini issued an order halting all summary trials and execu-

The Provisional Government of Dr. Mehdi Bazargan,

Khomeini's appointee, is show-

ing increasing signs of respond-ing to mounting international

on Islam.

BY ANTHONY MCDERMOTT IN TEHRAN

plete Chinese withdrawal from conflict. This is presumably a the Vietnamese territory, since reference to a plea by ASEAN the Vietnamese territory, since the Vietnamese have previously heads of state for an end to insisted that complete withdrawal was a precondition for

Reports are contradictory, however. The same Nhan Dan article attacked the Chinese as "professional liars," accused China of being a "direct and dangerous enemy" and claimed

, still maintain their troops in many areas of Vietnamese against Vietnam," the report

Hoveyda trial comes under fire

Published transcripts of the

hearing indicate a wide gap between Mr. Hoveyda's desire to present a detailed and docu-

mented defence, and the prose-

tion's broad ideological accusa-

Reflecting the confusion of

the Government, Mr. Amir Entezam, a Deputy Prime Minister and the Government

spokesman, said yesterday at a Press conference that Mr.

Hoveyda had not yet been put on trial and that the single session last Thursday before the Revolutionary Tribunal had only been interrogation.

However, at that time Mr. Medhi Hadavi, the Revolutionary Prosecutor-General, called for the death sentence. Mr. Hoveyda was also facing 17 charges including one of "war

charges, including one of "war

repeated demands that Chinese troops withdraw from the Laotian border. They also South-east

countries to stay out of the conflict in Indochina. It may also be a warning to Thailand against involvement in western Cambodia. The Chinese also issued a

warning to leaders in Southeast Asia. The official government Xinhua newsagency said: dangerous enemy" and claimed "The flames of war which Chinese troops were still inside Vietnam has kindled in Kampuchea (Cambodia) might The Chinese reactionaries spread to other Southeast Asian countries at any time." It was also reported from

territory and close to the border Hanoi that Vietnam's leader, ready for other acts of war Le Duan, met yesterday with Le Duan, met yesterday with the Soviet ambassador, thank-ing the Russiaus for "meeting As the Soviet Union reported a rapid Chinese troop build-up ance with the Treaty of Friend-north of Leos, the Vietnamese ship and Co-operation." There has been speculation n the Vietnam might have been y elso annoyed that the Soviet Union Asian stayed aloof from the conflict.

In the present context of pro-

gress towards an Islamic Republic, this could almost certainly have led to execution. Under the moves towards

changing the legal system, some

80 judges so far out of a total in Iran of 1,800 have been dis-missed. In addition, a board of

five judges and two lay mem-bers have been given six months

The Supreme Court, the Office of the Public Prosector, and the

Lower Courts are to be dissolved

and replaced by a more traditional Islamic system based

mainly on the Koran. Yesterday Mr. Entezam said

regulations had been drafted by

the Government for trials. Amongst procedures under con-

sideration were the presence of a

jury and defence lawyer, and

the right of appeal.

to supervise the changeover.

Canadian dollar stronger

THE CANADIAN collar stayed

above 85 U.S. cents in foreign currency trading last week, the strongest it has been in three months. The high for the week was on Tuesday when it closed at 85.50 U.S. cents. It slipped badly on Wednesday but re-covered some lost ground to end the week at 85.21 U.S. cents, The upward pressure early in

the week came from strong buying by Swiss and other Euro-pean sources. It dried up on Wednesday on news that Canada's Swiss bank managers were having trouble distributing a SwFr 300m Government of Canada bond issue in a weakening Swiss market. That did not push the dollar below 85 cents however. This new found strength is, in part, being attributed to news that season-ally adjusted Canadian unemployment in February was below

ployment in February was below 8 per cent
Barry Davenport, manager of foreign exchange operations for Wood Gundy, a major Canadian brokerage house, thinks the depreciation over the last two years has gone on too far and "on the basis of economic fundamentals, the currency has recently been undervalued."
He adds that Canada is well on the way to regaining the

on the way to regaining the international cost competitiveness that it lost in 1974 and 1975 and a more placid political environment seems in store. This optimistic view is not universally shared. Dominion Securities, another

major brokerage house, in its atest quarterly letter suggested that the Canadian dollar will trade in a range of 83 to 86 U.S. cents during the year "Convincing strength in the

exchange rate is not likely to develop until late in the year— and even then only if the U.S. economy is showing signs of beginning a new business cycle expansion early in 1980."

Chicago halt on wheat trade By David Lascelles in New York

TRADING IN March wheat

futures on the Chicago Board. of Trade, the world's largest wheat market, has been halted altogether on orders of the Commodity Futures Trading Commission, policeman.

The ban follows the CFTC's dissatisfaction with action taken last Friday by the CBOT to deal Agriculture. He praised the with what the CFTC claimed Ministry for its "technical and was an attempt to manipulate was an attempt to manipulate March contract prices. With only four days to go before the contract closed on March 21 the CFTC said a small group of speculators held dominant long open positions which far exceeded the amount of wheat available for delivery.

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criticism of the way in which Mr. Hoveyda has been tried. 400 'slaughtered'

N'DJAMENA-More than 400 people have been killed in clashes renewed Moslems and Christians in the south of Chad, with witnesses reporting torture and cruelty in the town of Sarh.

in Chad war

In addition to battles with knives between the two communities. Moslems were reported to have been massacred by deserters from President Felix Malloum's regular army.

Two cease-fires have failed to stop the civil war and Nigerian troops are now trying to establish neutral zones after the warring factions signed an agreement to end the fighting.

About 100 French citizens, mostly women and children, of the 450 who live in and around Sarh were evacuated on Friday. The Government has denied that it was responsible for organising

Fresh crisis feared as Portugal debates budget

BY JIMMY BURNS IN LISBON

mentary debate on the Government's budget and short-term economic plans begins today against a background of mountagainst a background of mount ing political uncertainty which threatens the survival of Portugal's three-month-old administration.

The debate, scheduled to last until next weekend, is expected to resolve confusion resulting political abilities." from the unexpected resignation of a key junior minister. It might unleash a fresh political

Restructuring, resigned on land to private ownership.

Friday. But over the weekend Portugal's powerful Social

crisis.
Sr. Augusto Martins Ferriera
do Amaral, the controversial
Secretary of State for Agrarian

THE LONG-DELAYED parlia- Prime Minister, has returned from a visit to Brazil to find his Administration boosted by a surprise nationwide TV address from President Antonio Ramalho Eanes, in which the President reaffirmed his support for the Government and in particular for the Ministry of

> Sr. Ferreira do Amaral resigned after accusing the President of having withdrawn his support from the Govern-ment's unpopular agrarian policies. These involve the enforced return of collectivised

the rest of the Government Democrat Party (PSD) reacted decide on further cuts in the projected budget deficit for the 1980 fiscal year

the bloody confrontation in the south.

AP

the bloody confrontation in the solidly united.

Sr. Carlos Mota Pinto, the withdraw its support for the to withdraw its support for the solidly united. Sr. Carlos Mota Pinto, the to withdraw its support for the

WORLD TRADE NEWS

HE E Contracts will be honoured Hua assures Japanese

TOKYO—The Chinese Com- Kyodo quoted him as saying: unist Party Chairman, Hua "We will do what we promised." tofeng (Hua Kuo-Feng) has The Japanese newspaper ven assurances that China will nour \$2-\$3bn worth of Japase plant import contracts were frozen late last onth, according to Japan's

rodo News Service. Kyodo, in a dispatch from king, said Hua told Ryokichi inobe, the Governor of Tokyo, iring an hour-long meeting We may postpone the conicts but we will never cancel em." He gave no indication

The Japanese newspaper Asahi reported from Peking that Hua said the contracts had been held up because the two nations had not reached agreement on whether payment should be made in yen or dollars.

Eight Japanese trading companies were notified on February 28 that all plant import contracts signed since December 23 were "not yet in effect " because of financing problems.

The Asahi report quoted Hua how long the contracts would main frozen.

The Asahi report quoted as saying the freeze did not mean China had any intention of modifying its ambitious modernisation programme aimed w it would pay for the con- modernisation programme aimed icts but would not make the at making the world's most me mistake in the future. populous country a major

NDERS MUST BE LODGED NOT LATER THAN 18.00 a.m. ON IURSDAY, 22nd MARCH 1979 AT THE BANK OF ENGLAND, NEW UES, WATLING STREET, LONDON, EC4M 9AA OR NOT LATER AN 3.30 p.m. ON WEDNESDAY, 21st MARCH 1979 AT ANY OF E BRANCHES OF THE BANK OF ENGLAND OR THE GLASGOW ENCY OF THE BANK OF ENGLAND, TENDERS MUST BE IN ALED ENVELOPES MARKED "EXCHEQUER TENDER."

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economic power by the year

Banking and official sources here have said the Chinese found that their buying had outstripped their ability to either pay in cash or obtain loans.
China and Japan signed a trade agreement in February, 1978, calling for \$10bn in trade

each way over the eight-year duration of the accord. Japan's exports to China were to be in the first five years and the Chinese had planned on buying about \$2bn worth of

Japanese goods per year, Japa-nese banking officials said. But in the first year China signed \$4bn worth of contracts which one official said was "much too fast a pace."

Caution on Israeli **Egyptian** cooperation

THE PROSPECTS of short term

economic cooperation between Egypt and Israel in the wake of a peace treaty should not be overestimated, a senior Israeli banker has indicated in London. However, economic cooperation was essential to the establish-ment of peace, said Mr. Jacob Levinson, chairman of Bank Hapaolim.

Apart from the supply of oil by Egypt to Istael, the obvious economic possibilities were for Israel to sell manufactured goods to Egypt and for Egypt to supply cheap labour to Israel. But Mr. Levinson said that the Israeli consumer goods industry

was geared to more sophisticated markets than Egypt and that it would be a mistake for Israel to switch to producing lower standard goods, while the Egyptian luxury goods market was very small,

The problem with sales of Israeli capital goods to Egypt was that Egypt would not be able to pay for them, in view of its balance of payments problems. Very long term financing would be risky, but barter deals—possible, he said. A further problem for Israeli manufacturers in Egypt was that they would have to deal largely with the state bureaucracy, so that contacts between the entrepreneurs of the two countries would be

As for the supply of Egyptian cheap labour to Israel, Mr. Levinson said he did not think Egypt would wish to develop such close economic ties immediately. He added that it was not to Israel's advantage to admit free mobility of the workforce, because it would cause social problems with Israelis taking managerial roles and Egyptians filling the lower

A democratic country cannot live with such a divsion of and status in one

country," he said. But he did not think a controlled flow of labour would,

jeopardise peace. Mr. Levinson said that there were potential economic advantages in the services sector, especially in the promotion of joint tourism between the two countries, while if Israeli ships were allowed to use the Suez Canal this would naturally be a

bonus. Some of the benefits of a peace treaty might be to strengthen Israel's trade with other countries through the possible decline of other countries' recognition of the Arab boycott of Israel.

Egypt and Israel needed, Mr. Levinson thought, a third party to act as matchmaker to overcome their mutual suspi-cions and edge them towards co-operation. He thought the process might begin in Sinai which, lying between the heart-lands of the two countries, would be a good place for Egyptian manpower and Israeli

technology to combine. Energy was on hand in the form of the oilfields and as the area was lightly populated there was less dislike of the "ugly Israeli" than there would be

elsewhere. The real breakthrough for peace would come with Egypt allowing Israeli "technology and enthusiasm" onto Egyptian soil, Mr. Levinson said.

Aircraft exports rise

By L Daniel in Tel Aviv

ALTHOUGH the overall rate of growth in Israel's industrial exports has slowed down in recent months, overseas sales of air craft, as well as of electrical

and electronic equipment and of textiles have risen sharply. Exports of aircraft came to \$43m in the first two months of this year, compared with only \$13.6m in the same period last

Those of electrical and electronic equipment rose by 35 per cent to \$15m; and those of chemicals by 24 per cent to \$57.5m (mainly due to bigger of pharmaceuticals, es and phosphoric exports pesticides fertilisers).

AUSTRIAN TRADE

Tanker market active

SHIPPING REPORT

By Lynton McLain

FREIGHT RATES in the crude oil tanker chartering market rose again last week. Tanker owners were quick

to respond to the continued pro-duction of oil from Iran, now running at an estimated 1.5m barrels a day, compared with over 5m barrels a day in December. Oil companies have taken

advantage of the resumption in production and last week made the most use of available tanker tonnage to lift cargoes ahead of the next round of price rises.

These factors and the rise in bunker fuel oil prices for ship owners pushed rates for very large crude carriers to Worldscale 50 compared with Worldscale 37.5 in the previous week. The rise in bunker fuel prices has been passed on to the shippers of general freight as

A bunker surcharge of 26.5 per cent, with effect from March 26, was announced last week by the conference of freight operators sailing between Indonesia and Europe. Shipments from United King-dom and Republic of Ireland ports to Brazil will be subject to a bunker surcharge of 20 per cent from March 25. The Brazil Europe Freight

well as crude oil.

Conference said further rises could expected at short notice. London shipbrokers said there is a shortage of tonnage for sale on the second-hand tanker market. No new sales were reported last week. Activity in the second hand bulk carrier market also remained strong

The scrap market, especially in Taiwan, was active, with the Golden Spray, lightweight tanker of 19,700 deadweight tonnes sold for scrap at £80 per

tonne. E. A. Gibson Shipbrokers said the total number of vessels scrapped so far this year doubled over the past month.

Pessimism over Eastern markets

BY PAUL LENDVAI IN YIENNA

a three-year period of stagna- slav workers employed in tion, remains the second most Austria. important geographical area for Austrian exporters. The breakdown and analysis of the 1978 trade figures indicates that hopes of a new push have not been borne out by subsequent developments. While Austrian exports worldwide were up last year by 8.8 per cent on the level for 1977, sales to Eastern Europe rose merely by 3.3 per cent to Sch.24.2bn (£900m).

The point, is however, that the relative significance of trade with the East has continued to decline. Its share in terms of aggregate exports has fallen between 1975 and 1978 from 17.1 per cent to 13.7 per cent. These figures are related only to the Comecon member

a further 3.3 per cent. In fact the Comecon countries as a the Austrian surplus in trade whole, excluding the Soviet with Yugoslavia last year Union. The trade balance varies Sch.900m more than the surfrom country to country but it plus in exchanges with the is stressed that the Soviets are Comecon area as a whole. But apparently making some efforts the "Yugoslav connection" at last to reduce their surplus

munity sees serious barriers to background of income from exports last year were up by an expansion of trade with Austrian tourists and massive 16.7 per cent to Sch 5.4bn and Eastern Europe, which despite transfers by some 100,000 Yugo imports rose only by 3 per cent

> Excluding Yugoslavia, the Sch 3.4bn. Austrian trade experts list a In contrast to the Soviet number of factors which con- Union, Austrian trade tribute to a growing feeling of exchanges with Poland once gloom regarding short and medium-term sales prospects in the East. The shrinking foreign exchange reserves are accentua-ted by the difficulties of selling East European products on the Austrian, and of course in Western markets in general. The severe winter also raised doubts about the reliability of the Communist East as a source

of energy for Austria. Intensified Western competition for a stagnating market solved and growing demand for com-pensation deals are further plant in adverse factors. Taking the first nine months of last year, states.

Austria's share of the Soviet market rose from 2.1 per cent non-aligned Yugoslavia, the Eastern market share rises by 8.1 per cent to 7.7 per cent in a further 3.3 per cent. In fact the Comecon countries as a

THE AUSTRIAN business com- must be also seen against the vis-a-vis Austria. As Austrian basis for the new plant because to Sch 8.8bn the trade deficit was reduced by 10 per cent to

> again closed with a surplus of Sch 3.2bn in favour of the Austrian side. Poland is the greatest Eastern debtor with a credit line of Sch 25bn extended by Austria. Austrian bankers emphasise that Poland desperately needs access to the Austrian market in order to earn the foreign exchange needed for debt-servicing.

This is also the background to the current and yet unre-solved controversy whether the projected thermal power plant in lower Austria at Zwennuclear plant whose commis-sioning was rejected at a refer-In view of the general econ sioning was rejected at a referendum last November) should be based on coal or oil.

The Ministry of Trade is keen on building a coal pipeline from Poland to Austria with an annual capacity of up to 5m tons: The 250 mile long link would involve investment costs

it would be completed two to four years more quickly than a coal-based project. In addition to the uncertainty concerning future oil and natural gas supplies, the Austrian Trade Ministry is evidently think-ing of making Austrian-Polish trade more balanced.

Despite the personal efforts by Chancellor Kreisky who last year paid a series of visits to the Soviet Union, East Germany, Hungary and this year to Czechoslovakia in addition to conferring with Bulgarian President Todor Zhivkov and other East European leaders visiting Vienna, political goodwill is just not enough to give a new stimulus to trade. Austrian trade and financial exports point to the steadily rising accumulated debt of the East vis-a-vis Austria which is estimated to tendorf (to replace the planned have reached Sch47bn by the

omic situation and of the demands of Comecon integra-tion in Eastern Europe, the best informed Austrian foreign trade experts do not expect a substantial upswing in trade with Eastern Europe. Most observers here think that even the mainto the tune of Sch 2.4bn. But tainance of previous sales levels those in charge of the utility would already be a considerable companies seek oil or gas as a achievement.

Strikes cripple Calcutta

BY P. C. MAHANTI IN CALCUTTA

A SERIOUS crisis has hit serious and leading and un-Calcutta port with the lock loading operations have totally entrance operators continuing stopped. The indefinite strike to go slow and the crews of started by crews is in protest Indian ships going on indefinite against the enactment of the strike at the same time.

Merchant Shipping (Second U.S.) Consequently no ship is able Amendment) Bill.

to go in or out of the port and A total of 1.800 men are said some 67 ships have been to be involved in Calcutta and stranded at Calcutta and Haldia, Bombay, according to port authorities.

Tea and jute shipments have Congestion at the port is now been affected, latter seriously. Japan

World Economic Indicators

INDUSTRIAL PRODUCTION

					over previous	Index base
	Jan. 79	Dec. 78	Nov. 78	Jan. '78	year	year
	104.4	111.0	109.4	106.9	-2.3	1975 = 100
	130.9	7 18.6	137.0	124.9	+4.8	19 70 — 100
ermany	108.0	122.0	130.7	108.7	-0.6	1970 = 100
,	150.8	150.4	149.5	138.5	+8.9	1967 = 100
	Dec. 78	Nov. '78	Oct. 78	Dec. '77		
nd	124.0	121.0 -	122.0	120.0	÷3.3	1970=100
	132.9	130.0	129.0	123.0	+7.3	1970=100
	Nov. 78	Oct. 78	Sept. '78	Nov. '77		
m	125.5	125.2	124.4	119.6	+4.9	1970 100
	125 2	124 1	124.4	117 2	14 B	1975 = 100

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can enter the Video Age today. Here's your entry form. The rest is up to you.

HOW TO ENTER THE VIDEO AGE. It's easy. Simply study the five 'Video Age' questions below and decide which of the three answers to each is correct. Enter the answers in the

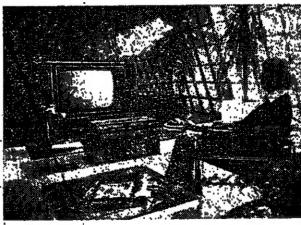
hoxes provided. Then just complete the unfinished sentence. in no more than 10 words and you're almost there." Now all you have to do is fill in the rest of the

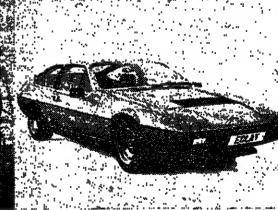
entry form - your name and address, the name of your Philips dealer and the date on which you purchased or rented your new Philips TV or VCR. We also need the model number and serial

number of your new set. It's printed clearly on the back of the set, but if in doubt ask your Philips dealer. Completed entry forms should be posted to: Philips Video Age Competition, P.O. Box 3, Horley,

Sourcey RH6 9BR. There are two closing dates for entries. If you rent or purchase in February, entries must be received on or before last post on 15th March. For the

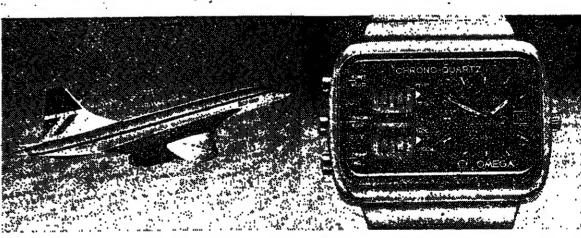
March competition the closing date is 17th April 1979. A complete set of rules is available on application from the Philips Video Age competition.





WIN A HOUSE TO THE **VALUE OF £60,000.**

 $\mathbf{WIN}\,\mathbf{A}$ LOTUS ECLAT.



WIN ONE OF 6 TRIPS FOR 2, BY CONCORDE TO THE U.S.A.

I entered the Video Age with Philips because

WIN ONE OF 30 OMEGA CHRONO-QUARTZ WATCHES.

use your sidu and judgement to select the correct provers to these 'Video Age' questions.	
. Where were the very first TV transmissions made? a) U.S.A.; (b) Holland; (c) Great Britain.	
. When was colour TV first publicly broadcast in the mined Kingdom? a) 1963; (b) 1967; (c) 1970.	

3. Satellites are now an important link in worldwide 1 broadcasts. Which was the first communications

(a) Sputruk; (b) Apollo 9; (c) Echo 1. 4. Who is credited as the inventor of television?

(a) John Logie Baird; (b) Thomas Edison; (c) Alexander Graham Bell. 5. Which company pioneered domestic video recordi

in the U.K.? (a) Philips; (b) JVC; (c) Sony. Put your answers in the boxes provided.

Address		 	-
•			
45			
Date of warehoos or min	ming of rental agreement .		
Date of Directions or 213		 	
Dealer's name and add	-	 	

Send your complete entry to: Philips Video Age Competition, P.O. Box 3,

FL8

fire

LEASE USE BLOCK LETTERS of, or on behalf of, tendere SURNAME OF TENDERER MRIMRS MISS OR TITLE ... FIRST NAME(S) IN FULL ADDRESS IN FUL

National

E11.404bn last month.

managed by

The major elements in the

18th issue of National Savings

Certificates and an extra £97.1m

deposited in the National Sav-

ings Bank. Repayments totalled

£129.4m, giving net receipts of

£231.9m. Interest and other

aceruals added a further

ASTON MARTIN is to sell its at

The car was launched last

Demand for Volante

by £270.4m

House prices still rising as demand continues

BY DAVID CHURCHILL

PRICES increased markedly in the last quarter according to the latest survey of estate agents by the Royal Institution of Chartered Sur-

The survey shows that last month's increase of 2 per cent in prices over the previous quarter increased to 5 per cent in most areas compared with three months ago. The upward trend is expected to continue because of the housing shortage.

Some of the sharpest increases have been for modern detached and semi - detached houses. although most agents report that demand is outstripping supply in all categories.

Mr. Murray King, chairman of the institution's estate agency committee, said that

By Kenneth Gooding,

increasing delays in obtaining mortgages seem to have no apparent effect on the level of demand, which continues unabated. "As weather conditions im-

prove, more property will come on to the market, but there is every indication that demand will outstrip supply and that £60,000 and £70,000. the upward trend will continue." The survey was based on

crease was reported in prices for at least four out of every 10 properties of varying ages auctioneer members have to and types. Just over 46 per observe a strict code of conduct, cent of new houses, for said that an auctioneer's example, rose by 5 per cent in price, with a quarter rising by 2 per cent and one in five by

No agents reported any fall in prices for any type of According to some the four-bedroomed property. agents. detached house in a London suburb or commuter area is most in demand at prices ranging from £50,000 to £100,000, with the average between

• The institution welcomes the investigation by the Office of replies from 117 estate agents Fair Trading into the 10 per throughout the UK. On a cent buyer's premium on furninational basis a 5 per cent inture and works of art being Sotheby's. The institution, where obligation was to the seller and from the seller and not the

OECD nations 'need

industrialised DATSUN UK, the most successful of the Japanese car importers, is spending £5m on enlarging its parts warehouse at Worthing, Sussex. The first stage of the develop-

ment, a new headquarters office block and warehouse, was completed only in 1974 at a cost of £4m. But since then the number of Datsun cars on UK roads has doubled to more than 500,000.

The new project should be completed by October and will add a further 130,000 sq ft to the existing 125,000 sq ft storage space at the 12-acre site.

The value of parts in store will increase from £5m to £7m. In 1978 some 101.735 Datsun cars were registered in the UK giving the company a 6.39 per cent market share.

This year Datsun UK hopes to get enough ears from the manufacturer. Nissan Motors, to

GOVERNMENTS IN the major countries. especially Western Europe and Japan, should give a collective stimulus to their economies to ensure that overall growth does not slacken, according to two leading economists in the latest issue of the Midland Bank Re-

from Cambridge argue that action should be taken to boost growth by an extra 1 per cent a year up to 31 per cent in 1979 in the 24 countries of the area Organisation Economic Co-operation and De-

velopment. Otherwise, last December's forecast of a 2½ per cent average increase in total output by the second half of this year is the

best that can be hoped for.

put over the next few years is likely to be half the rate achieved in the decade before 1973, and well below the past rate of growth of productive

OECD economy that limps painfully for five years or more through a sort of monetarist purgatory in order to redeem its inflationary sins of the last two decades may soothe a puritan conscience or two, but it also poses a mounting threat to world trade and international inthird under construction, first attempted to drill boreholes in vestment." into fierce local opposition and as a result decided not to go

As it is, the article claims OECD output is between 5 and 15 per cent below full capacity. OECD members are below full back from taking remedial action because of a " prisoner's dilemma " in which countries each hope to benefit from the increase in the demand for their exports which would

Fallible forecasts exposed

THERE WILL be more than a embarrassment among the legions of economic forecasters this morning. The fallibility of some of their projections has been exposed by their own kind.

The Society of Business Economists-to which many forecasters and planners belong
—has published a study showing that the forecasts of several key economic indicators are not substantially better than projections on the basis of naive no-change assumptions.

The study is writen by Mr. George Hatjoullis and Mr. Douglas Wood of the Manchester Business School and is published in the Society's The striking feature of the journal.

analyses the relative accuracy of the projections of five leading groups—Phillips and Drew, the London Business

part of a European Commis-

areas where traces have been

found — the Orkney Islands, Kincardinshire and Caithness —

is being undertaken by the

South of Scotland Electricity

nuclear power stations and a

Orkney two years ago, but ran

any further in any of the areas.

However, it has now been

forced to try again or lose the

chance to test deposits for the foreseeable future.

and processing among prohibited

The Orkney Islands Council

is in the Nine.

Board.

School, Henley Centre, Economic Models, and the National Institute of Economic and Social Research-over the 1974-77 period.

The authors concede that the years reviewed were a particularly turbulent economic period. But, they argue, " that it is precisely in such periods of great uncertainty that econometric (mathematical forecasting) models should outperform the naive statistical models. If one excludes the abnormal periods then we would be surprised if the performance of the econometric models could not be matched by some naive statistical model."

analysis is the failure of the forecasis, as a whole, to substantially improve on a nochange model, roughly comes, equivalent to what might be The difficulty of discerning the

achieved from visual extrapolation from a graph, in projecting Gross Domestic Product, consumer spending, investment, and exports

Both the consumer price index and unemployment are satis-factorily forecast. However, these seem to have been the easier projections to forecast for the authors point out that a simple trend extrapolation would also have performed quite well for these figures. The study is careful not to select a "best buy" since while certain forecasters appear to perform better than others for certain indicators,

this kind of record may not be reliable over a long period. The report includes a de-tailed table which compares with the forecasts of the five groups with the actual out-

Savings increase best performers is shown, for example, by the evidence that Phillips and Drew FUNDS appreciably out-performed the National Institute in proout-performed National Savings Department jecting consumer spending increased

and imports, the latter performed better in respect of department's total savings investment and consumer receipts of £361.3m were prices. formed better in respect of The authors regard "the role of outside forecasts not as a device to pinpoint the future but as scenario setters and the context within which the forecasts are presented tends

to encourage this view." There is also an apparently low predictability of forecast performance. It is apparent that backing form has limited

The Business Economist, from Walk, Waljord, Hertiordshire, WD1 3RN, price £4.00.

Inquiry may block uranium survey

V8 Volante in the UK and ... Europe three months earlier than planned because of the Society of Business Economists, 11 Bay Tree than planned because of "public demand." The UK price will be £33.865.

June and by the end of 1979 some 100 Volantes will have been shipped to the U.S. Production is running at three a

Sunday trading fight THE National Chamber of Trade has called for a renewed campaign against proposed legislation to extend the Sun-

day trading laws in the UK.
The Chamber's move follows the House of Lords approval last week for a Bill to give retailers greater freedom to

open on a Sunday. Mr. Leslie Seeney, the Chamber's director, claims that the Lords have allowed themselves to be "beguiled into accepting the Bill and thinking all its suggestions can be put into motion without any cost to the customer."

Ovestion of fuel bills .

THE National Council for Social Service has again appealed to the Mr. Tony Benn, Energy Secretary, to provide detailed inforwill enable other fields, such as Are unable to pay fuel bills and Ninian. Hutton, Heather and are subsequently disconnected from gas and electricity ... supplies.

Mr. Nicholas Hinton, the council's director, said yester-p day that the questions had been submitted to Mr. Benn exactly a a year ago and still remained "substantially unanswered."

Datsun UK enlarges to boost economies' warehouse

BY OUR ECONOMICS CORRESPONDENT

view, published today.

Mr. Peter Oppenheimer from Oxford and Mr. Michael Posner

Without a stimulus-preferably through fiscal means such

CONTRACTS AND TENDERS

potential.

The authors argue: "An

erably through fiscal means such occur if only their fellow mem-as tax cuts—the growth of out- bers would take the initiative. and has refused to grant plan-

BRITAIN'S attempt to fulfil its ning permission for test boring protestors as a test case for the "no significant disturbance" the grounds that since it sion survey of uranium deposits could be blocked if a public would never allow mining, there is no point in allowing prospect-

inquiry to be held this week backs environmental protestors. The commission is to spend A pubic examination of the plan is to be held by the Scot-£7m in the next year establishtish Office in Kirkwall this week ing how much uranium ore there and the electricity board will contest the uranium decision. Orkney is seen by the board and In Britain, the search in three

the Cormorant and Brent fiields.

of the Shetland Islands are expected to be linked later with

the gas-gathering system, but operating companies have still

make their final commitment

Shell UK, the operator for

Several other fields to the east

other areas on the Scottish since most of the waste is mainland. In a written submission.

which will be made public on Wednesday, the board argues that it is in the national interest mining and refining causes trols are routine."

£30m gas pipe for North Sea

associated gas, which would

otherwise be flared into the

into the main gas trunk-line

leading from the Brent Field

to an onshore terminal at St.

The 25-mile, 16-inch diameter

Fergus, near Peterhead.

The new pipeline will link

SHELL AND ESSO have started initial stage of the "western

laying a £30m gas-gathering leg" gas-gathering system, pipeline in the North Sea to link which is designed to recover

Cormorant and Brent, has pipe, is being laid by the barge started work on laying the Semac 1, and should take about

atmosphere.

returned to the workings and environmental impact that the ' It also asserts that radio-activity "can be controlled to

one month to complete, depend

The pipeline will incorporate

two junction manifolds, which

North Cormorant, to be linked

• The market for inspection

maintenance and repair work on

the UK Continental Shelf could

he worth about £200m a year

by the early 1980s, according

to the Offshore Supplies Office.

ing on weather conditions.

to know if there are any com- standards acceptable to the responsible regulating authorimercial quantities of nuclear responsible regulating authori-fuel in Britain. It claims that ties" and adds that "such con-

National Thermal Power Corporation Ltd.

NEW DELHI (INDIA)

INVITATION TO BID FOR COAL HANDLING PLANT PACKAGE RAMAGUNDAM SUPER THERMAL POWER PROJECT

Proposals are invited by the National Thermal Power Corporation Ltd. for the works mentioned herein for phase I of the first stage of Ramagundam Super Thermal Power Project, consisting of 3x200 MW units, at Ramagundam, District Karimnagar, Andhra Pradesn, India.

Scope of Work

Cost of Bid Bocument Sale Dates U.S.\$ IndianRs, From

Date set for opening of bids

Furnishing and Erection/Construction of 1600 tonnes per hour capacity Coal Handling Plant incorporating one no. Stacker cum Reclaimer of 1600 tonnes per hour capacity of coal including all connected civil and structural works on turnkey basis. (Specification

8th Mar, 79 23 rd May 79 upto 10.30 hrs. 1000 (10.30 hrs. to 15.30 hrs) 120

6th June 79 Submission: Opening: at 1100hrs,

No. CC-32-013) CIF/Ex-works value of equipment portion of the contract will be financed by credit from the International Development Association. Participation is limited to Bidders from member countries of International Bank for Reconstruction and Development (IBRD) and Switzerland and the equipment, materials, services proposed shall have their source of origin in member countries of IBRD and Switzerland.

Bidders who wish to participate should have designed, manufactured, erected, tested and commissioned (i) Bulk Material Handling Plant of 800 tonnes per hour capacity of coal (or equivalent volumetric capacity for other minerals) and (ii) Stacker cum Reclaimer suitable for stacking and reclaiming at an average contunuous capacity of 800 tonnes per hour of Coal (or equivalent volumetric capacity for other minerals). In both the cases, the installations should have been in successful operation for a period of at least two years.

Bidders who have done only one of the above can also participate provided they associate/collaborate with manufacturers of repute, in which case the associate/ collaborator should comply with the above stated requirements.

NTPC reserves the right to assess the Bidder's capacity and capability to perform. and to relax the qualifying requirements, if necessary in the interest of the Owner. The Bidders will be required to furnish a Bid Guarantee for 2% of the Bid Price

and a Contract Performance Guarantee for 10% of the Contract Price. The bid documents can be had from the address given below against payment of the cost either by crossed demand draft or by certified cheque payable to National Thermal Power Corporation Ltd. at New Delhi.

CONTRACTS AND TENDERS

ADVERTISEMENTS APPEAR EVERY MONDAY

Rate: £15 per single column centimetre. Minimum three centimetres

For further information regarding advertising please telephone:

FRANCIS PHILLIPS 01-248 4782

Contract Services, National Thermal Power Corporation Ltd.

303, Skipper House, 62-63, Nehru Place, New Delhi, 110019 INDIA

Advt. No. CC 068 "HAPPYCHAL

LEMBAGA LETRIK NEGARA TANAH MELAYU NATIONAL ELECTRICITY BOARD OF THE STATES OF MALAYA

TRENGGANU HYDROELECTRIC PROJECT

HYDRAULIC, MECHANICAL AND **ELECTRICAL EQUIPMENT**

TENDERS ARE INVITED FROM MANUFACTURERS FOR THE FOLLOWING:

etc. of the following packages:

TURBINE/GENERATOR UNITS, STATION CRANES AND ASSOCIATED EQUIPMENT This contract comprises design, supply, delivery and erection

PACKAGE A: Four (4) vertical shaft, Francis reaction water turbines, 102 MW output, 250 r/min, 118 metres net head, complete with electro-hydraulic governors, turbine and pipeline drain systems, cooling water systems

PACKAGE B:

1. Four (4) synchronous generators, 112 MVA, 13.8 kV. 50 systems and ancillary equipment.

for turbines and generators and ancillary equip-

sets of unit control, protection and auxiliary systems for the turbines and generators, including control room cubicles, control desks, electrical protection relay cubicles, auxiliary transformers, motor starter cubicles, and sequence control

sets of main power connections, 13.8 kV, 5,000 A, isolated phase busbar complete with switchgear, voltage transformers, current transformers, surge 3. Four (4)

overhead travelling cranes, 12 metres span, with combined capacity to lift the generator rotor, with 20 tonne auxiliary hoists. Tenders will be accepted for each contract package separately or for both packages as one contract

Tenderers will be invited to submit an offer to finance all or

Full details of manufacturers' experience and their technical and financial competence, must be forwarded with their application not later than 1 May 1979 to: Trengganu Hydroelectric Project,

Snowy Mountains Engineering Corporation.

Box 356, Cooma North, NSW 2630, Australia

with copy to

Project Engineer, Trengganu Hydroelectric Project, National Electricity Board. PO Box 1003, Kuala Lumpur, Malaysia

accompanied by a documentation fee of \$Aust500 (Fire hundred Australian Dollars) international bank draft or money order payable to SNOWY MOUNTAINS ENGINEERING

It is expected that tender documents will be issued to registered tenderers about June 1979 and that tenders will be required to be submitted about four months thereafter. Tender documents will be issued by Snowy Mountains Engin-

eering Corporation. The document fee will be refunded only to applicants not issued with tender documents. Tenders shall be delivered at the head office of LEMBAGA LETRIK NEGARA TANAH MELAYU. 129 Jalan Bangsar, Kuala Lumpur, Malaysia. The exact date and place for sub-mission of tenders will be specified in the tender documents. LEBAGA LETRIK NEGARA is not bound to accept any

LEMBAGA LETRIK NEGARA is not liable for cost incurred by tenderers in preparing tenders.

application or to accept the lowest or any tender.

ARGENTINE REPUBLIC

Ministry of Economy

State Secretariat of Energy

Hidronor S.A. Hidroeléctrica Norpatagónica Sociedad Anónima Alicopa Complex

Alicurá Hydroelectric Project Prequalification of contractors:

system,

Contract 540 t: hydraulic turbines

In connection with a subsequent call for tenders for design, manufacture, transport, erection, testing and putting into commercial operation of three (3) vertical shaft Francis type turbines, each rated 257 MW at a net head of 116 m, and associated equipment. Hidronor will receive and analyse the qualifications and references of those firms or consortia of firms that have adequate technical and financial capacity and wish to take

Contract 540 g: generators

In connection with a subsequent call for tenders for design, manufacture, transport, erection, testing and putting into commercial operation of three (3) synchronous generators rated each 280 MVA, suitable for coupling to vertical shaft Francis type turbines, and associated equipment, Hidronor will receive and analyse the qualifications and references of those firms or consortis of firms that have adequate technical and financial constitutions and references of those firms or consortis of firms that have adequate technical and financial capacity and wish to take part in the call for tenders.

Terms of reference:

The procedure for submission of data for this purpose is set out in corresponding prequalification documents which may be obtained either from Hidronor S.A., Av. Leandro N. Alem 1074, 4th Floor, 1001 Buenos Aires, Argentina, or at the main offices of Electrowatt Engineering Services Ltd., P.O. Box. Bellerivestr. 36. CH-8022 Zurich, Switzerland, and SWECO AB, P.O. Box 5038, 3, Linnegatan, S-102 41 Stockholm 5, Sweden, as from March 19, 1979.

The envelopes containing the qualifications and references of the firms or consortia concerned must be submitted to Hidronor S.A., Av. Leandro N. Alem 1074, 1001 Bucnos Aires, Argentina, before 4 p.m., May 7, 1979.

CARCASE CLASSIFICATION

REGISTRATION OF TENDERERS

Invitation to register interest as a tenderer for the future provision of equipment, in part or whole, and software, and maintenance, for classifying cattle, sheep and pig carcases

The AMLC, an Australian Government Statutory Authority, is undertaking, on behalf of the Australian Government, the responsibility for the supply and installation of a national

carcase classification scheme. The scope of the project involves development, design, manufacture, assembly, testing, installation and commissioning of a classification system including:

AUTOMATED CARCASE • CENTRAL PROCESSING WEIGHING SYSTEMS UNITS DATA STORAGE UNITS

KEYBOARD TERMINALS CARCASE FAT

 ASSOCIATED APPLICATIONS AND THICKNESS INDICATORS SYSTEMS SOFTWARF

 TICKET PRINTERS LINE PRINTER\$

 POST COMMISSIONING SUPPORT It is intended initially to call tenders for a limited number of

ARM DOZS

systems, or units of equipment, for testing and field trials. The aim of the trials will be to establish the commercial feasibility of the system(s) before proceeding to full-scale ordering. Equipment could ultimately be required for more than 100 abattoirs and up to 400 slaughter chains. Organisations interested in registering should contact the Corporation to obtain further information and a

questionnaire. The questionnaire on the resources and experience of the tenderer will need to be completed to register interest in this project. The questionnaire may be obtained by: Telexing AA22887 or writing to:

Australian Meat and Livestock Corporation, GPO Box 4129 Sydney, NSW 2001.

Enquiries relating to intention to register close on March 30, 1979.



HARMONY GOLD MINING COMPANY



1979.
The rate of exchange at which the divisiond will be Canwerted into United Kingdom currency for payment of the kingdom currency for payment of the condense of the condense of the condense of exchange between Johannesburgand London ruling between Johannesburgand London ruling the first business day after 31st March, 1979 on which foreign currency dealings are proposed where applicable South African, non-resident shareholders, Lar of 154, will be desicted from the dividend.

The full conditions of payment of this rividend may be inspected at or obtained.

By Order of the Board RAND MINES, LIMITED Registered Office:
15th Floor, 63 Fox Street.
Johannesburg 2001.
19.0. Bax 62370.
Marshalltown 2107).
Marshalltown 2107).
Office of the Company in the United Kingdom.
Charter Consolivated Limited,
40 Holborn Visituet.
Loaden Et. Pf 1A).
United " adom Registrars an Transfer Chapitaled Limited,
7, 0.5 Box 102.
Charter Ha Sec.
Park Street.

Street. ord, Kent TNZ4 BEO. 15th March, 1979

U.S.425.000.000 511% 20-YEAR EXTERNAL LOAN OF 1964

Sondholders of the above Loan are advised that the Redemption due on the 13th May, 1979, ib. U.S.S.2.104,000 nominal, has been effected by purchase, HAMBROS BANK LIMITED 19th March, 1979.

clinch £20m deal

ir and conversion work may to save jobs and win a

e plan would modify on 10 of the Industry Act, which guarantees payment ships and mobile offshore llations built in Britain. e are no guarantees for irs or conversions.

e Seatrain Lines of the U.S. s to convert four gas tur-powered container ships to mic diesel engines. orge Clark and NEM, in

tership with Hawthorn e (Engineers), also on the has produced technical osals and a price acceptable leatrain. British Ship-ers, the State-owned holdcompany which owns the marine engine companies, however, failed so far to ice financial arrangements, ding competitive credit, which Seatrain is demand-

Government plan would

GOVERNMENT plan to work, but it would need antee payments for ship legislation. Mr. Neville Trotter, Conservative MP for Typemouth said he had written to Mr. order for George Clark Michael Casey, chief executive NEM, the Tyneside marine of British Shipbuilders about the danger of the order being

He said Bremer-Vulcan, a West German shipyard, had produced a financial package under which it would buy the Seatrain ships, the Asialine, Eurofreighter, Euroliner and Asiafreighter, convert them and lease them back to Seatrain. Workers at George Clark are expected to be told this week that redundancies may be necessary unless British Ship-builders produces a plan to win

the order.
The work on fitting two 15,000 hp diesels worth £5m to each ship would guarantee employ ment at George Northumberland

Works for over a year. Hawthorn Leslie has work at its St. Peter's yard on the Tyne up to the third quarter of the year, but 160 employees at the Northumberland yard may be given 90-day redundancy notices the Home Credit at the end of the month unless

3 Pritish Shipbuilders bid o cut time-wasting

committees

dy in operation and meet ly to examine progress. The tion is that they should ust become another oppory for discussion, but should speedy and effective) for solving problems. e joint management-union

bach to productivity prob-is part of a drive by sh Shipbuilders to improve rmance in five areas-techy. production engineering, organisation, control and

antee Scheme to conversion the order is won.

Y ALAN PIKE, LABOUR CORRESPONDENT

ASH SHIPBIULDERS is improvement in the shipbuildng up joint management- ing market in the early 1980s. a monitoring committees in ards in a bid to reduce inercy and time-wasting.

Recently published studies by British Shipbuilders show that an average of 3 hours 5 minutes of the working day is non-productive.

> This ranges from factors directly in the control of the workforce like late starts to waiting time, travelling to work areas and bad weather. The corporation has started a drive to increase productive time by 30 minutes a day which it is estimated would yield a 10 per cent increase in produc-

tivity, Mr. Ken Griffin, deputy chair-man of British Shipbuilders, leads—to ensure that the said employees had to undereration is in a competitive stand that time wasted by them non to face the expected was their biggest threat.

NEWS ANALYSIS—PACKAGING

Iove from traditional naterials predicted

MAX WILKINSON

tials, particularly fibre- and steel, I and paper sacks, towards Although industry.

t a switch to newer ials will require heavy il investment, which will rn depend upon business lence. The report foresees asing competitiveness in 4bn a year packaging iny which it believes will be d by surplus capacity and ver increase in the rate of nd than has been experiin the last 20 years.

industry as a whole is ast to grow at a rate only ly above the growth of the conomy as a whole. Within overall growth, different are seen as having edly different growth rates. cs are expected to increase ove average rates, glass, nium, tinplate and aerosol iners should enjoy average h; but paper and board, ose film materials, jute steel drums and wooden iners are all predicted to at below average rates.

report says: ". One of the st factors militating against change will be the degree pital investment required, in turn rests upon busito take risks, both of which currently lacking and are to continue so for several . By the end of the 1980s, ver, a different pattern may

ginning to emerge." price of packaging is ted to stabilise in real and in most sectors, rises etween 8 per cent and 12 ent, in line with inflation,

redicted. vely low raw material cost, competition from plastics. estimated 684,000 tonnes in paper and board products 1978, when the value was tkely to increase in price at £445m.

CONTINUED movement a faster-than-average rate, as

Although the price of plastics cs and aluminium is pre- will depend upon the avail-in an Economist Intelli- ability and cost of crude oil. Unit report on the pack- the report expects that supplies will be adequate during the early part of the next decade and probably until the end of

> The report says that in spite of the sharp rise in the price of oil in 1973/74, plastic packaging materials have continued to be used to an increasing extent.

The report, " Packaging in the 1980s by Roweng Mills (EIU £60), reviews the performance and expected changes in eight separate sectors of the industry. These include:

Paper and Board: Consumption of carionboard has re-mained fairly static during the 1970s, increasing only from 557,000 tonnes in 1970 to an estimated 580,000 tonnes in 1978. when manufacturers' sales of folding cartons were £417m. About 56 per cent of these cartons were used in the food

The UK production of fibreboard packing cases has increased slowly from 2.2m square metres in 1970 to 2.7m square metres in 1978 when the value was £460m. Competition from plastics, is expected to intensify in this sector also, as also in the market for paperboard boxes which totalled 63m tonnes with a value of £73m in

The production of paper packaging and wrapping products has generally declined in the 1970s. The 1978 production figures given in the report are carrier bags, 101,000 tonnes (£71m); food and kraft paper wrapping, 138,000 tonnes (£83m); paper sacks, 235,000

tonnes (£111m). e increase in price for glass Plastics: The volume of iners is expected to be plastics used in the packaging average, because of the industry has increased every year during the 1970s from glass is expected to meet 362,000 tonnes in 1970 to an

Notice of Redemption MORTGAGE BANK OF FINLAND OY 91% 1976-1983 \$US 20,000,000.-

ilders of the above mentioned loan are hereby informed at the annual instalment of \$US 1,500,000.—due April 1st, 79 has been effected by drawing by lot of 1,500 bonds of

ie following bonds have been drawn on 5th March, 1979, in e presence of a notary public:

nr. 7260 to 8759 inclusive

ie bonds will be redeemable at par on and after April 1st, 79 with all unmatured coupons attached thereto.
16 principal amount of bonds outstanding after the amortiza17 of April 1st, 1979 will be SUS 17,500,000.—

BANQUE INTERNATIONALE A LUXEMBOURG Société Anonyme Trustee

exembourg, 19th March, 1979

balance bargaining power, says Prior

BY CHRISTIAN TYLER, LABOUR EDITOR

would present a "moderates" charter" in place of Labour militants' charter by restoring the balance of bargaining power, Mr. James Prior, Shadow Employment Secretary, said yester-

He argued that there was an imbalance not only between management and unions, but also between "the official union position and unofficial action."

Some changes in industrial relations law had a part to play in the Conservatives' proposals for "getting the balance right."

Mr. Prior was addressing West Midlands Young Conservatives in Malvern, Worcs. His speech was characteristically low-key in contrast with the increasing vehemence with which other Tory leaders have been addressing themselves to "the union

As a direct result of the recent spate of industrial action. his tactics have put him out of favour with many of the Shadow

Some of his supporters fear that an early election would be fought on a union-bashing plat-

A CONSERVATIVE Government form, and that Mr. Prior would stand no chance of being endorsed as Employment Secretary by a victorious Mrs.

The bigger the Conservative majority, they believe, the less chance Mr. Prior has.

The Prior camp believes that Mr. Callaghan will be able to told on until October, It hopes that by this time, Mr. Prior's essentially defensive tactics will rehabilitated within the Shadow Cabinet.

His allies argue that a frontal assault on union power with the promise of extensive legislative reform would only rebound on the Tories, since opinion polls show that Labour is still reckoped to be able to get on better with the unions in spite of its recent trouble. Mr. Prior bas done much to

heal the rift between his party and the trade union inherited from Mr. Heath's administration, when he was a hawk on industrial relations. There can be little doubt that the TUC would rather see him at the Department of Employment than a new hawk from Mrs. Thatcher's immediate entour-

State credit may Conservatives would | Civil servants set for all-out strike

BY PAULINE CLARK AND PAUL TAYLOR

A CIVIL SERVANTS' general constitutes asking union mem-strike in Scotland and probably bers to strike-break. Some 40,000 civil servants in avoidable on Wednesday if the two unions will take part been hit by the closure of the the grant payments would be Customs and Excise computer continued. This normally The closure of the Manchester at Southend. This normally Export Credits Guarantee avoidable on Wednesday if the two unions will take part handles incoming returns total-Scottish Office does not lift its in Wednesday's planned action ling about £122m a week, and threat to suspend 40 of its staff. if the suspension notices are pays out £41m a week. not withdrawn. The unions. The two biggest unions in the

nationwide Civil Service pay dispute will today send out instructions for a mass rally of Scottish members on Wednes-day, when the suspension notices are due to come into dispute to 1,600.

Civil servants throughout the rest of the country will be told at the same time to hold midday meetings to make their own decisions on what action to take if their Scottish colleagues are

The 106,000-strong Society of Civil and Public Servants is 230,000-strong Civil and Public Services Association. The Society said yesterday that the Scottish dispute was now a separate issue from the pay row. Action could go ahead even if a new pay offer emerged from tomorrow's resumed pay negotiations.

The 40 accounting staff in the Scottish Office in Edinburgh face suspension for refusing to carry out the work of computer operators who have joined the national campaign for selective action over pay in the past three weeks.

The unions have condemned the Scottish Office for taking action which "would not stand up in the courts" because it Added Tax repayments have

warned that many may not made, which has led to an return to work afterwards. Last Thursday, the two unions stepped up the selective strike by bringing out a further 150 key members. This raised the total involved directly in the profit " on the dispute.

The main target of the strikes is Government computer instal-lations, and the dispute is causing increasing disruption and delay to many Government functions, including statistics collection and private sector payments.

to be only inconvenient to the Government since the private sector is bearing the brunt of the strike effects with delays in payment of grants, subsidies, refunds and contracts.

Some Government depart-ments are probably "saving" money because private sector

credits are not being paid.
Farmers waiting for capital, subsidy and grant payments from the Ministry of Agricul-ture Fisheries and Food seem to be hardest hit in the private sector. About 4,000 weekly payments totalling some £6m a week are not being paid because the computer at Guildford has been closed.

Companies waiting for Value

No VAT refunds are being increasing number of complaints. Receipts have also fallen, but the department is understood to be showing a

Special arrangements have been made to pay some Ministry of Defence contractors after the closure of computers at Liver-pool and elsewhere. Contractors are being paid from two specially opened offices in Lon-don and Liverpool.

The Department of Industry computer at Cardiff handling payments totalling £50m a week in regional development grants to companies in Wales and civil service expenses for several and Cardiff, and the strike has departments is also closed stopped the incorporation of However, the Department said new companies at Cardiff.

Department computer is causing some delay. The position is likely to worsen if the main computer handling export credit guarantees in Cardiff is closed down on Monday as threatened. The ECGD claimed that the

dispute is unlikely to affect the underwriting of credit limits for exporters but it may cause further delays in paperwork. Elsewhere, payment of pen-

sions, death grants and other benefits to teachers has been hit by the closure of the Department of Education and Science computer at Darlington, but other arrangements are being made to pay student post-

graduate grants. There is still no public access to company registers in London

North Sea deal rejected

HOPES OF settling the long- a meeting of national officials. running North Sea construction the employers and shop workers dispute fell yesterday stewards from each trade to when shop stewards from four representing 2.000 workers told local union officials in Aberdeen that a new deal had been rejected by 95 per cent of the men working

fishore. yesterday were reluctant to pre-Shop stewards have called for dict industrial action.

reconsider proposed 1979 settlement terms within two weeks. The main sticking point in

is the leave cycle.

A new offshore strike cannot be ruled out, but stewards



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You can't shake hands on the phone

When you meet face to face, shake hands and present your case, there may seem to be little difference with what you could have said by letter or telephone.

The difference is far more likely to be in the answer

Yes. Instead of no.

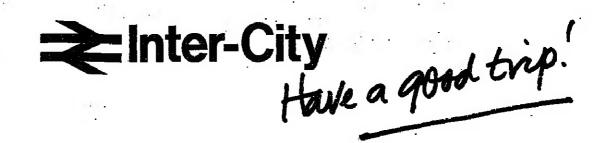
Often it pays to do business in person and the best way to travel is by Inter-City. the quick, reliable way to go from city centre to city centre.

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THE AFRIKANDER LEASE LIMITED VAAL REEFS EXPLORATION AND MINING COMPANY LIMITED

(Both of which are incorporated in the Republic of South Africa)

EXPLOITATION OF AFRIKANDER LEASE MINERAL RIGHTS

The directors of The Afrikander Lease Limited (Afrikander Lease) have, for some years, been considering the most profitable way in which the company can exploit its oreholy. The most attractive of the proposals considered is one whereby Vaal Reefs Exploration and Mining Company Limited (Vaal Reefs) acquires the right to exploit the main block over which Afrikander Lease holds mineral rights in return for a royalty based on revenue, providing Vazi Reefs starts mining operations as soon as possible. After examining a number of possibilities, the directors of Afrikander Lease and Vaal Reefs have negotiated the arrangements set out below. The proposed arrangement has been accepted after discussion with the Government departments concerned and will be submitted to the shareholders of both companies for their

Over a wide range of uranium prices, levels of production and other operating parameters, this royalty arrangement should give Afrikander Lease a more attractive financial return than if the company itself were to raise the additional monles necessary to finance an independent mine. The directors of Afrikander Lease therefore recommen that sharcholders should accept the proposed arrangement with Vaal Reefs. The arrangement would have the additional advantage of not requiring the Afrikander Lease shareholders to subscribe for further capital and yet should result in an earlier flow of dividends.

On the basis of the same range of parameters as that used for Afrikander Lease the proposed arrangement is estimated to give Vaal Reefs a favourable return on its investment and is therefore recommended by the Vaal Reefs directors.

The proposed arrangement is that Afrikander Lease should lease its main block

of mineral rights to Vaal Reefs. In return for this, Vaal Reefs would finance the entire capital requirements of the proposed mine and would pay Afrikander Lease, during the productive life of the mine, an annual royalty on the following basis:

(a) A basic myalty of five per cent of gross revenue derived from the sale of minerals obtained from mining the area. If the profit, as defined below, were five per cent of revenue or less in any one year, then a royalty equivalent to the entire profit would be paid to Afrikander Lease (but subject to a minimum royalty of R50 000 per annum).

(b) If the profit in any year, as defined below, exceeds 30 per cent of gross revenue, then an additional royalty would be payable, calculated on the basis of the formula

, where 'Y' represents the percentage of revenue payable as

additional royalty and ${}^{\star}\mathbf{X}{}^{\star}$ is the ratio of profit to revenue, expressed as a percentage, (c) For the purposes of (a) and (b) above, "profit" is defined as working profit after deducting capital expenditure other than that required to establish the mine at a production level of 50 000 tons milled a month or to increase the level of ornduction at a later date.

No state's share of profit would be payable by Vaal Reefs in respect of profits from the new mine. Profits would be taxed at the rate applicable to a post-1973 gold mine in Vaul Reefs' hands, after taking the royalty into account. The royalty in the hands of Afrikander Lease would be taxed at the normal company rate.

Mining operations would begin in December 1979 at about 15 000 tons of ore a month, which would be transported to Vaal Reefs for treatment. Providing this occurs, Vaal Reefs would be able to obtain immediate tax relief on capital expenditure incurred by it in respect of the project. This factor would considerably improve the financial return on capital invested over that which could be obtained if Afrikander Lease were to mine the deposit itself.

Meanwhile, a separate treatment plant for the recovery of uranium and gold would be constructed by Vaai Reefs at the site of the new mine for commissioning during the first half of 1981, after which treatment at Vaal Reefs' existing plant would cease. The capacity of the new plant would be 50 000 tons a month milled, this throughput being attained about twelve months after commissioning. Thereafter the average annual production is expected to be about 385 metric tons of uranium oxide and 460 kilograms of gold.

It is proposed that Vaal Reefs secures consumer finance, as part of the arrangements to be made for the sale of uranium to be produced from the new mine, or loans from other sources, in order to minimise the effect on its dividends of the capital expenditure to be incurred on the project. Thereafter, the dividend pattern should be improved as soon as the new mine attains full production.

In the light of the extent of potential ore reserves within the main block to be leased to Vaal Reefs which could support a much larger operation, the directors of Vaul Reefs have accepted a further recommendation by the technical advisors that the design of the new mine should incorporate features which would enable the scale of operations to be easily expanded should circumstances warrant it. These features have been catered for in the siting and the modular design of the treatment plant and in other surface infrastructure.

Further details of the proposed arrangement will be contained in circulars to be sent to the shareholders of both companies on April 4 1979. Additional copies of such circulars may be obtained thereafter from the companies' share transfer The two companies will hold General Meetings on April 26 1979 at which this arrangement will be put to their respective shareholders for approval.

Following the suspension of dealings in the shares of Afrikander Lease and Vaal Recfs on March 14 1979 the Johannesburg Stock Exchange and The Stock Exchange in London have been requested to reinstate dealings in the shares of both companies with

Bayerische Vereinsbank

Banque de l'Indochine et de Suez

Sanwa Bank (Underwriters)

Copies of this announcement are being posted to members of both companies. By order of the Boards ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED Per: C. R. Bull

London Office: 40 Holborn Viaduct

Private Placement

March 19 1979

Nomura Europe N.V.

Baring Brothers & Co.

Vereins- und Westbank

Budget should not raise tobacco and alcohol duty'

BY DAYID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

FT SURVEY OF CONSUMER CONFIDENCE

MORE THAN half the consumers surveyed in the Financial Times survey of consumer confidence, published today, believe that the Chancellor should not increase the duty on alcohol or tobacco in next month's Budget

The survey shows 51 per cent in favour of no tax increase on drink or cigarettes although a significant minority, 28 per cent. felt that the duty should be increased on both items.

Women appeared to favour more strongly a tax increase on alcohol and women from the social grades ABC1 in particular supported increased tax on cigarettes.

Most men, especially those from social grades C2DE were opposed to any increase on either drinks or cigarettes. unrest this month, the level of March.
Young people, however, were concern about strikes was still Region on both items more than older year. age groups.

The main index of consumer Analysis confidence for March has risen again this month continuing the recovery from the sharp decline during January. The March index shows 18 per cent of consumers expecting conditions to improve and 31 per cent expecting them to worsen, giving an index of minus 13 per cent, compared with minus 22 per cent last month and minus 27 per cent in January.

Movement.

Although the March index is the highest for six months, the actual movement in the index over the six-monthly period has fallen a further 2 percentage points to minus 18 per cent, its lowest for almost two years.

index, however, appears mainly 9 per cent, compared with due to a lower proportion of minus 17 per cent in February. consumers expecting conditions But four out of every ten of to worsen. The main reason for those surveyed felt that they optimism seems to be the pros- were equally well off compared pect of a change of Government, with a year ago. with one in four consumers Steady giving this as a reason for Steady The somewhat fatalistic attitude that "things past prosperity between the must improve" has declined as various sex and social suba reason for optimism this month, given by 41 per cent of Last month all four of the suboptimists compared with 51 per groups showed similar levels of cent last month.

But there appears to be sumers that the Government is losing control of inflation. Only 1 per cent of optimistic consumers believed that inflation C2DE men is particularly sharp was now under control, com-

Among those expecting conditions to worsen, rising prices have become the main reason for pessimism replacing strikes and trade unions as the major cause for concern. Almost a third of pessimists gave inflation as their main reason and

March 19, 1979

20? 407 ALL ADULTS PAST PROSPERITY 40% 402 ABCI MEN 1975

to favour tax increases higher than for most of last

Further analysis of the future confidence index shows that ABC1 mer, from the professional and executive classes, remain the least confident about the future. Although the under 35's remain the most confident age group, the over 55's have shown the largest improvement in confidence

The past prosperity index, which shows whether consumers feel better or worse off than 12 months ago, has risen eight points from last month's unusually low level, but still remains well below its average

for the past year.

About 25 per cent of those surveyed felt better off in March than a year ago, while 34 per cent felt worse off. This gives The increase in the March a past prosperity index of minus

An interesting variation in groups is shown this month. past prosperity. This month, however, while both professional growing agreement by con- and manual groups of men in prosperity, women from both groups do not.

The 21 per cent rise for pared to a fifth who believed so the group feeling least pros-last November. the group feeling least pros-perous last month to the one and has meant they move from

although fewer cited industrial feeling most prosperous in

Regionally, only two areas show significant increases in past prosperity - these are London and the South and Wales and the Midlands, In Yorkshire and the North-West, the index is steady, while in Scotland and the North-East it has risen only slightly.

The time to buy "big things for the house" index is also steady this month at plus 17 per cent. The March figures show 43 per cent believing that now is a good time to buy large consumer durables, while 26 per cent think it is a bad time. The only change from the February index is a 1 per cent fall in both the proportion thinking it a good or bad time to buy.

Analysis of the index shows that ABC1 men and C2DE women considered it a slightly better time to buy this month, while ABC1 women thought it a slightly worse time.

Fears

The survey also shows a marked improvement in consumers' fears about unemployment, following a sharp increase in the unemployment index last month. In March, some 33 per cent of consumers surveyed felt that unemployment will increase, while 13 per cent felt that it would decrease. This gave an index of plus 20 per cent, compared with 32 per cent last month.

The drop in the index is reflected in all areas but par ticularly in Yorkshire and the North-West

The survey was carried out by the British Market Research Bureau for the Financial Times between March 1 and 7. About 1,000 adults were interviewed. Letters, Page 27

BOND DRAWINGS

ELECTRICITY SUPPLY BOARD "ES.B." 819: 1971/1986 UA 15.000,000 On March 5, 1979 Bonds for the amount of UA 800,000 have been trawn for recemption in the presence On March S. 1979 Sonds for the amount of UA 800,000 have been drawn for redempston in the presence of a Notary Public. These Bonds will be reimbersed in the Bonds will be reimbersed on and after May 1979. The drawn dedevening affacted on and after May 1979. The drawn dedevening affacted on and after May 1979. The drawn dedevening affacted on and after May 1979. The drawn dedevening affacted in the raine beginning at 800 in the market Son 1979. The market of the market UA 7,006,000. Amount unamortized UA 7,006,000. Ontstanding drawn Bonds:

4359 to 4361 incl. 4392 me 400. Ontstanding drawn Bonds:

4359 to 4361 incl. 4398 or 406. Son 1861. 4501. 4507. 4555. 4561. 4565. Incl. 4501. 4507. 4555. 4561. 4561. Incl. 4501. 45

THE COMMINAGEN COUNTY AUTHORITY (C.C.A.) 1969/1984 7% UA15.000.000 On March 5, 1979, Bonds for the amount of UA 709,000 have been drawn for redesigning in the presence of a Notary Public. nd in the rauge beginning Amount subject to redemption: Amount bought on the market LA 541,000 Annual to be seen that the market LA 541,000 Amount analysis LA 541,000 Constanding Gram bought of the seen to be s Amount bought on the m

COMPANYNOTICES CANON INC.

Advice has been received from Tokyo that the 78th Ordinary General Meeting of shareholders of the Company will be held at its Conference Room at 30-2 Simmomaruko 3-Chome. Onta-Ku, Tokyo 144 at 9 a.m. on Friday, 30th March 1979. Agenda is as follows:---

Report on alteration of Certified Public Accountants. It was not in the Most i

of office of , two statutory auditors of office of , two statutory auditors eresently to office.

Re: Granting of recitement allowance to the present of the statutory auditors.

Re: Chaose of the remuneration of directors and statutory auditors.

Holders of Depositary Receipts to Bearer (EDR's & BDR's) wishing to exercise their vating rights in respect of the Shares represented by the Receipts held by them are reminded that, in accordance with clause 3 of the Conditions; they must lodge their receipts with Hall Samuel & Co., Limited by 3 p.m. 23m March 1978, where todgement forms are available. Cany Deposit Receipts holder wishing to exercise his votice rights both for and sadinys the Resolution. The March 1979, Voting Rights and the receipts representing Ordinary Shares on the receipts as at 31st December 1976. Cooles of the full text of the Notice Convenies the meeting are available if required. HRLL SAMUEL & Co. Limited.

HILL SAMUEL & CO. LIMITED.

PROVIDENT MUTUAL LIFE
ASSURANCE ASSOCIATION
ANNUAL GENERAL MEETING
NOTICE IS HEREBY GIVEN that the
138th Annual General Meeting of the
Association will be held in the Council
Chamber, Institute of Chartered Accountants in England and Wales, Chartered
Accountants Hall, Moorgate Place, London ECSP 281 on Tussday, 10 April, 1979,
et 12.30 pm to Include the following:
10 adopt the Recort and Accounts for
1978.
10 re-elect Mr. Raymond Benefit 1978.
To re-elect Mr. Raymond Percivel St. George Catalet as a Director of the Association. The Right Honograble Lond To re-elect The Right Honograble Lond Farmham as a Director of the Associa-To re-riect Mr. Valentine Patrick Flem-ing as a Director of the Association. To re-appoint Pannell Fitzpatrick and Co. as auditors of the Association to hold office until the conclusion of the next Annual General Meeting. To fix the remomeration of the Directors. C. W. STIRLING, Secretary. 19 March, 1979.

TRAVEL

MARBELLA, MAJORCA, ALGARYE. Too golf holidays from 559 ioci, ffights, hories or apolts, Self-drive car, Edwards Toppolf, 01-808 4711 E24 hourst. Brocharet, ABTA, IATA, ATOL 8788, SKI EASTER WEEREND, 12:16 April, rom £89. CPT, 01-351 2191.

CURACAD DEPOSITARY RECEIPTS CORPORATION

The undersigned, being the Agent of Caribbean Depositary Company N.V., amountess that Pioneer Electronic Corporation have Sectared a cash dividend of Yen-24 per share for the haancial year covering the period 1st October, 1977-30th September, 1978, which will be payable as from the 19th March 1979 at the office of the undersigned. This distribution, which has been converted into U.S. dollars bursuant to section 4 of the Deposit Agreement, will be available to brokers of CDR's against surrender of coupon No. 17 less 20% Japanese withholding tax. In the effect that per CDR evidencing:

5.5.4 155.24 10 Depositary Shares
36.94 (55.24)
10 Depositary Shares
1900 Shares
19

LEGAL NOTICES

Amsterdam. 5th March, 1979.

IN THE MATTER OF
THE COMPANIES ACT. 1948
AND IN THE MATTER OF
HEREWARD CONSTRUCTION LIMITED
Registered Office: 33 Cliffords ina, Registered Office: 33 Clifferds Ina, Fetter Lane, London EC4A 1AM NOTICE IS HEREBY GIVEN pursuant to Section 283 of the Companies Act. 1948, that a Meeting of the Cruditors of the above-named Company will be held at the Great Northorn Hotel, Station Road, Paterborough, Cambs. en 11th April 1979 at 2,00 p.m. for the purpose mentioned in Section 294 et see of the said Act. ed of the said Act.

Dated this 8th day of March 1879.

By Order of the Board.

R. E. COOKE, Director.

R. E. COOKE. Director.

IN THE MATTER OF
THE COMPANIES ACT. 1948
AND IN THE MATTER OF
HEREWARD PLANT LIMITED
Resistant Office 33 Cliftords Inn.
Patter Lans, London ECAA 1AH
NOTICE IS HEREBY GIVEN sursuant
to Section 230 of the Companies Act.
1948, that a Meeting of the Credition
of the above-named Company will be
held at the Great Northern Hotel.
Station Road, Preorborough, Cambs... on
11th April 1978 at 2.00 p.m. for the
purpose mentioned in Section 234 et
sau of the said Act.

Dated this 8th day of March 1978.

By Order of the Board
R. E. COOKE, Director

All these Bonds having been sold, this announcement appears as a matter of record only.

jenuary 1979

FF 175,000,000

P.S.A.

PEUGEOT-CITROËN

9 3/4 % Bonds due 1987

Lazard Frères et Cie Société Générale de Banque

Société Anonyme

Société Générale **Swiss Bank Corporation (Overseas)**

Amsterdam-Rotterdam Bank N.V. Banque Bruxelles Lambert S.A. Banque Nationale de Paris Banque de Paris et des Pays-Bas Banque de l'Union Européenne Caisse des Dépôts et Consignations

Algemene Bank Nederland N.V.

Banca Nazionale del Lavoro

Crédit Commercial de France Crédit Lyonnais

Banca Commerciale Italiana Banco di Roma Bank Gutzwiller, Kurz, Bungener (Overseas) Limited Bank für Gemeinwirtschaft Aktiengesellschaft Bank Leu International Ltd.

Crédit Suisse First Boston Limited Dresdner Bank Aktiengesellschaft Kredietbank S.A. Luxembourgeoise Nomura Europe N.V. liana Banca del Gottardo Bank of America International Limited

Bank Julius Baer International Limited Bank Mees & Hope NV Banque Belge (France) S.A. Banque du Bénélux S.A. Banque Belge pour l'Industrie S.A.
Banque Européenne de Tokyo
Banque Générale du Luxembourg S.A. Banque de Commerce S.A. Banque Française du Commerce Extérieur Banque Internationale à Luxembourg S.A. Banque de l'Indochine et de Suez Banque de l'Indochine et de Suez

Banque de Neuflize, Schlumberger, Mallet Banque Populaire Suisse S.A. Luxembourg Banque Rothschild

Banque de la Société Financière Européenne - SFE Group - Banque Worms Baring Brothers and Co., Limited

H. Albert de Bary & Co. N.V. Bayerische Landesbank Girozentrale Bayerische Vereinsbank Bergen Bank Banque Louis-Dreyfus Berliner Handels- und Frankfurter Bank B.S.L. Underwriters Limited Caisse Centrale des Banques Populaires Centrale Rabobank Chase Manhattan Limited Commerzbank Aktiengesellschaft Commerzbank Aktiengesellschaft Compagnie de Banque et d'Investissements (Underwriters) S.A. Compagnie Financière County Bank Limited Creditanstalt-Bankverein Crédit Industriel d'Alsace et de Lorraine Crédit Industriel et Commercial Daiwa Europe N.V. Crédit du Nord Richard Daus & Co. Den Danske Bank af 1871 Aktieselskab Dewaay & Associés International S.A. Den Norske Creditbank Dillon, Read Overseas Corporation European Banking Company Limited Finacor Robert Fleming & Co. Limited Gefina International Ltd. Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft Goldman Sachs International Corp.
Groupement des Banquiers Privés Genevois Hambros Bank Limited Hessische Landesbank - GirozentraleHill Samuel & Co. Limited International Securities S.A. Interunion-Banque Istituto Bancario San Paolo di Torino

Kuhn Loeb Lehman Brothers International Kleinwort, Benson Limited Kredietbank N.V. Lazard Brothers & Co., Limited Lazard Frères & Co. Merrill Lynch International & Co. Samuel Montagu & Co. Limited Nederlandsche Middenstandsbank N.V. New Japan Securities Europe Limited Sal Oppenheim jr. & Cie

The Nikko Securities Co., (Europe) Ltd.
Peterbroeck, Van Campenhout, Kempen S.A.
N.M. Rothschild & Sons Limited Salomon Salomon Brothers International J. Henry Schroder Wagg & Co. Limited Skandinaviska Enskilda Banken Smith Barney, Harris Upham & Co. Incorporated Société Bancaire Barclays (Suisse) S.A.

Societa Finanziaria Assicurativa (RAS Group) Société Centrale de Banque Société Générale Alsacienne de Banque Société Privée de Gestion Financière et Foncière Sumitomo Finance International

Société Séquanaise de Banque Svenska Handelsbanken Vereins- und Westbank Aktiengesellschaft J. Vontobel & Co. Westdeutsche Landesbank Girozentrale Dean Witter Reynolds International Yamaichi International (Europe) Limited

Verband Schweizerischer Kantonalbanken S.G. Warburg & Co. Ltd. Wood Gundy Limited

Société Générale (France) Bank Ltd.

Manufacturers Hanover Limited

Morgan Grenfell & Co. Limited

Pierson, Heldring & Pierson N.V.

Orion Bank Limited

These securities having been placed privately outside The Netherlands, this announcement appears as a matter of record only.

CHUJITSUYA CO., LTD.

Tokyo, Japan

DM 30,000,000

5% Convertible Bonds of 1979/1987

S.G. Warburg & Co. Ltd.



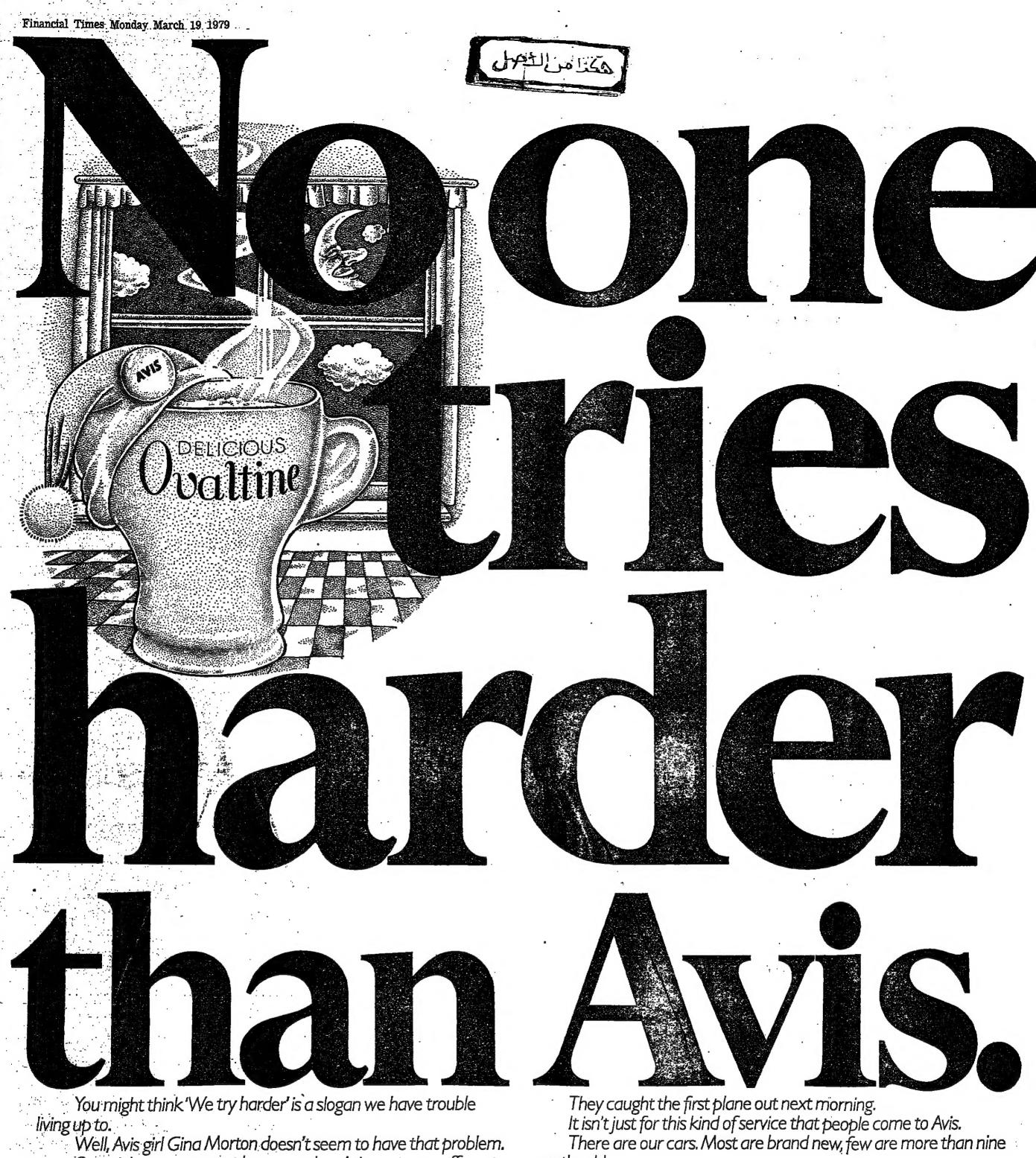
THE KINGDOM OF NORWAY

Dfls 100,000,000 81/16 Bearer Notes 1979 due 1984

Algemene Bank Nederland N.V Amsterdam-Rotterdam Bank N.V. Bank Mees & Hope NV Pierson, Heldring & Pierson N.V.

Deutsche Bank Aktiengesellschaft Kredietbank S.A. Luxembourgeoise

March 14, 1979



One night, a young couple returned an Avis car to our office at Gatwick.

They were due to catch a flight to the States, but were too late. They were also too late to get into any of the nearby hotels. As far as Gina was concerned, there was only one solution. They

would have to spend the night in the Avis office.

She provided them with blankets, and the night staff gave them

hot drinks.

months old.

And with nearly 70 offices dotted about the U.K., we're pretty local, too.

Also, when you rent a car, you'll be given a handy pack containing a cloth, ice-scraper, cologne towelette and a litter bag.
So you see at Avis, we really do try harder.



Icchnical Page

METALWORKING

Easier automation for a lathe

SIEMENS is to introduce at the operator has to do is enter the NC '79 Exhibition (Kenilworth, basic dimensions of the work-22-24 April) a modular com- piece, the codes for the tools puter numerical control for to be used the off-sets, feeds, lathes that can be programmed turning speeds and simple by the machine's operator. by the machine's operator.

Sinumerik Mate-TG has an interactive display to show both performs all the necessary comprogrammed data and the cutting tool's path.

Computer numerical control (c.n.c.) has not generally been applied to simple machine tools used for single and small-lot production because of the high financial outlay for programming the n.c. machines. To overcome the problem of initial outlay, Siemens has developed a number of c.n.c. systems characterised by simple manual-input programming and the use of low-cost microcomputers.

Mate-TG is the first closedhate-1G is the first closed to computer numerical control for lathes that incorporates automatic self-programming. It has eleven interactive display functions that are shown on a functions that are shown on a function of the first content o uilt-in cathode-ray tube specialist programmer.
isplay. Siemens House, Windmill
A microprocessor facilitates Road, Sunbury-on?Thames. Tel.

automatic programming. All the 09327 85691.

INSTRUMENTS

Noise gauge is compact

THE EXTENT of a noise pollu-instrument has a sensitive builttion problem can be quickly in capacitor microphone with a judged using an indicator from Dohm London (130 Gypsy Hill, weighted readings based on the London SE19 1PL, 01-670 5883) tion, 123.

that is small enough to be carried in a top shirt pocket meter calibrated from 40 to 120 without too much inconvenience. dBA in one scale; the user

filter that results in frequency

arc," and the computer software

Software for the Mate-TG

incorporates multiple repetitive

cycles and "program copy"; features that permit the

operator to repeat any portion

of the cutting cycle at various positions on the workpiece.

Decimal-point programming is

another standard feature; allow-

ing "leading" and "trailing" zeroes to be ignored, thereby

saving programming time, shortening program lengths and making data entry much easier.

To further simplify use, actual

centre and programs itself.

features that permit

Readings are produced on a Powered by a 2.7 volt battery merely presses a button to get giving 100 hours of use, the the reading.

Unit generates or reads

A SMALL equipment aimed at or output appear on a 31 digit process instrumentation en- 0.5 inch dual polarity liquid gineers for checking and cali- crystal display with over-range term controllers, indicators and lity.

Power is derived from two
Power is derived from two sea SA5 5LQ (0792 34722).

The instrument will either tion to a mains supply. provide at its terminals, or will measure voltages up to 199.9 millivolts or currents to 199.9 hours continuously and for five milliamps. Readings of input hours at maximum output.

Haven Automation, Cwmdu In- PP9 nickel cadmium batteries dustrial Estate, Gendros, Swan-sea SA5 5LQ (0792 34722). and the built-in charging circuit is activated simply by connec-

The Minical 200 will operate in the metering mode for 500

COMPONENTS

Slim door for UK

which is only 1; inches thick fire resistant doors). has been awarded a British Standard fire certificate, claims lighter than the average fire Mallinson-Denny who has just door (and, therefore, easier to signed an exclusive agreement hang); the material content, with Jutlandia Dore AS of and cost, is reduced below Denmark to offer the latter current average prices; and only one size of frame is company's veneered hollow-core and fire resistant doors in this

country. necessitating a different frame size from that used for hollowcore internal doors. The Maldendoors Jutlandia fire door is, hollowcore doors — also 13 of door stocked, inches thick (standard metric Further on sized hollowcore doors are 41616.

FOR THE first time, a 40 mm thick as are the metric 30-minute fire resistant door sized Maldendoors Jutlandia

This is said to bring three major advantages: the door is required for internal doors.

Secret, says the company, lies in construction—the volume of Until now, fire resistant doors combustible timber has been have been 12 inches thick, reduced and replaced with an increased volume of less combustible composition core. To complement the fire door

range, a knock-down frame with formed by regular and orthointumescent strip in head and however, fully compatible in jambs, oak threshold and all thickness with standard internal fittings, is available for each size

Further on Leeds (0532)

Integrated cladding

which incorporates not only metal cladding profiles with on both profiles. flashings, fillers, fixers, etc., but also includes a full range of Moduciad system are internal integrated accessories and components such as doors, ventilators, windows and gutters, designed to fit neatly into the cladding width module.

form the basis of the system, both of which are made in one metre cover widths making, be added later this year, says says the manufacturer, estimat- the company, and by ordering SWIV 1DX. ing and area calculation very easy. They are available in a

OFFERED FOR industrial and says Ward-Brothers (Sherburn), commercial buildings is a Widespan Works, Sherburn, British metal cladding system Malton, Yorks, (09444-421). Three types of factory bonded insulation are also available offered with the Also

and external gutters, the latter being available in a range of colours. Other components include doors, windows and louvre ventilators. These are virtually self-flashing, thus Two basic cladding profiles reducing design, detailing and sitework to minimum

Curtain walling system is to all components from one source of supply, problems of site wide variety of colours and delivery co-ordination and com-finishes to suit applications patibility of components are both in the UK and abroad, automatically eliminated.

Electronic thermostats

STILL relatively rare, parti- associated electronics box, the cularly in domestic use, electronic thermostatic control now 156 x 85 x 58 mm. To cover a features in a range of devices total temperature range of -20 from Satchwell Sunvic, What- the moment nine boxes and

The range has however, been 0.2 and 5.0 deg. C. designed to cover a wide variety
of applications, needing difment the control box could be used in the control of boilers, processes, pumps, fans, relays, gas and oil burner controls and about 5 mm in diameter and not more than 40 mm long, can be the mains, but a 24 V ac model installed remote from the is available.

to + 300 deg. C there are at ling Street, Motherwell ML1 four sensors. The differential 2SA (0698 66277).

ferent spans and different placed in say an airing cup-differentials, and can be board with other equipment while the sensor could be optimally positioned in the house. In laboratory work, for air conditioning equipment. bulky rod thermostatic elements. The thermistor-based sensor, can be dispensed with:

Operation is normally from

Scheme for electrical accessories

THE INTERNATIONAL Electrotechnical Commission is now working towards a fully international modular installation system for electrical accessories such as socket outlets, switches, push buttons and pilot or signalling lights, used in domestic

and similar installations. The commission has issued a report, Publication 629, as a first step and this recommends a 12.5 mm module. Any products intended for co-ordination in the system would have to fit into a modular grid surface which is gonal parallel lines. The maximum outline of a given piece of equipment would have to fit in bordering limits the dimensions of which are full multiples of the a device; the incorporation of 6601). standard module distance.

Although in general the number of multiples would be optional, for socket outlets multiples of two and four have been chosen. The IEC is at 1 Rue de

Varembe, 1211 Geneva 20, Switzerland.

Walls made to move

IT IS not only easy to partition a ballroom or conference hall with a concerting system of moveable walls, but Variflex operable walls also achieve a sound reduction and an attenuation level of 55 dB, says Unilock Group of Companies, 176-184. Vauxhall Bridge Road, London

Made by Huppe of Oldenburg, West Germany, four different systems are available for use in. a wide range of buildings, including offices, schools, hotels, and conference centres.

Walls can be provided to suit openings up to 8 metres high. Widths of individual elements, range from 600 mm to 1.250 mm and 100 mm thickness is standard, with the exception of the 150U system which is 150 mm

thick. Use of ball bearing rollers allows easy movement, any various options are available for suspension and parking. If required, an electric operating mechanism can be supplied.

Single or double-leaf hinged doors and frames can be incorporated within individual elements to allow access through the walls when they are in the fully closed position.

Frames are aluminium and steel and a wide variety of finishes includes vinyl, melamine, hessian or timber vencers.

HANDLING

Weigh plant

years' time.

The equipment to be supplied by Solidate, in a deal worth £30,000, is an 80 tonnes Moduline road weighbridge to weigh coke and alumina arriving by road from the port of Jebel Ali, together with a 14 tonne capa-city ladle scale to weigh molten aluminium from the smelter on a mobile transporter.

The smelter is being constructed for the Dubai Aluminium Company (DUBAL) by British Smelter Construction, a joint company owned by Wimpey and Selection Trust.

MATERIALS Replaces fragile glazing

ANYONE WHO has in his back garden a greenhouse or frame will undoubtedly have found, after the heavy snows and howling gales of the past three months, that many panes have cracked, or have even given way. Plastics materials to replace horticultural glazing have been on offer for some time. One of the latest is Malaray, a semirigid polyester resin sheeting reinforced with glass fibre. Used as a second skin, it will

cut heat losses from the green-house by at least 60 per cent and reduce ultra-violet irradiation by close on 94 per cent. . Used as primary "glazing," in a formulation which has an extra layer of weather-proofing -ICI Melinax 301, it will with-stand particularly bard knocks, including those from the local street footballers.

Natural Energy Jersey, 40 Kensington Place, St. Helier, Jersey. 0534 75221.

Passive sun heating

MOST BUILDINGS today are the mass of the building itself heated, or cooled as the case within the design process is may be, using "active" equipment: furnaces, boilers, electric. This approach has been put ment: furnaces, boilers, electric. This approach has been put water heaters and air con into practice in various parts of ditioners. It was network to be the process of the control of the practice in various parts of ditioners. ditioners. It was natural, when the world and is, of course, a first trying to harness the traditional one in any case, energy of the sun, to design What is new is the theoretical equipment of the same active basis of calculation, and thus kind in order to do this. Into the possibility of extending the this category fall solar principle considerably without collectors heat number solar principle considerably massive.

turbines and the like. amounts of material employed But it is being realised in in the past. creasingly that every building Such work has been going on can capture (or exclude) solar in France in the United States, energy by suitable design and Southern Mexico and Britain, All these topics are to be the incorporation of "passive examined at a one-day conhardware: that is features which do not require energy them ference on April 24, 1979, selves and which are essentially organised by UK-ISES, to be simple and, therefore, low in held at the Royal Institution. Further from UK-ISES, 19, cost. An ordinary window of the right size, orientation and Albemarle Street. London shading is an example of such W1X 3HA (telephone 01-193

• TEXTILES

Fast repetitive sewing

IN THE clothing, shoe, leather, workers sewing by eye who fancy goods or similar indus would produce an equivalent tries, "backtacks" are needed volume through lower quality of to give added strength or output, can take months. finish to the appearance of the Standard features which product. This is particularly recessary in such items as the maker, include fully autocomb-cases, or speciacles cases, which have constant handling.

A medium-priced fully autocomb-cases are specially autocomb-cases, or matic profile sewing machine easy to change styling. which can backtack in any part

of its automatic sewing cycle, maintenance all follow form the is now being produced by use of hydraulic movement of Trubenised (Sales), Trubro the workholder relative to the House, London Road, Woolmer Pfaff 483-900 sewing head. Green. Knebworth, Herts. (0438-812812). Known as the Trumatic 1400S it has a sewing area of valve operated by a magnetic 25×10 inches, allowing a large joystick which follows a simple number of small items to be sheet metal profile in the same loaded at once and accommo- shape as the design to be sewn. dated in the sewing cycle. Profiles are said to be easily Continuity of production with cut in the workshop and can be minimal training costs is changed in under two minutes assured, it is claimed, as even by the operators of the machine.

unskilled operators require only Already in batch production, an hour or two of experience on the 1400S machines are prothe machine, while the train mised for delivery early this ing of each of the five or ten summer.

Standard features which con-

· Accuracy, reliability and low Pfaff 483-900 sewing head. Movement of the workholder is controlled by an hydraulic servo

extended and now provides for 1-14 inch piping installations. WINDREREN LTD. collectors, heat pumps, solar necessarily using the massive SECURITY

THE NORGREN OLYMPIAN

PLUG-IN SYSTEM

This unique system of Cons-

pressed Air Processing Equip-

Sensors to meet most

SPECIALIST fire and detection alarm company, Tann Synchronome of Station Road, Westbury, Wiltshire BA13 3JT (0373 822491) has developed a complete range of fire detectors known as the 3000 series.

One of the items, the 3100, is an optical device meeting the requirements of BS5446 Part 1, It is able to detect the "cold smoke" generated by a low level smouldering fire at an early stage, particularly that emitted by plastic foam materials.

The range includes an ionisa. tion type, the 3200, also meeting the above standard. It employs less than a microcurie of Americium 241 and will quickly react to early emissions, moke of any significant density

is produced. Two heat detectors are offered. The 3300 is a rate of rise device conforming to BS3116 Part I and having a top temperature range of 58 deg C. For abnormally high temperatures, a fixed temperature detector, the 3400 is available to operate at 88 deg C. with automatic reset, obviating the cost of replacing fusible links.

The detectors have a common base mounting with a pin arrangement that prevents insertion of the wrong type. A light emitting diode shows an alarm state.

New technology gaining ground EVIDENCE OF the increasing creasing faster than the former, keyboard, even in the middle

acceptance that self-contained direct entry photocomposing machines are gaining in the "small" end of the printing industry is afforded by the fact keyboard, with fount plug-in that one company, Itek, has and magnetic storage to the sold well over 500 of its model right and photo-setter paper 1200 Quadritek machines in Europe since introducing it. about 18 months ago.

Two principal competing companies, Compugraphic and Linetype Paul are believed to be clocking up similar sales.

totals over £5m, and in the UK about 160 machines have been

uses the well-established method of printing of the 1200. It consists of a central instruction and text-displaying VDU and output (wet silver technology) to the left. The machine can call on four

112-character founts on line. held on four segments of a contains bar code data concern-

Itek's business in Europe in ing spacing and other typo-composing machines alone now graphical "housekeeping." Each character is exposed via multi-lens system giving 51 to 36 point sizes according to key depression on the "qwerty" keyboard. Fount and size

Latest machine, the 1201, of a line. Setting rate overall is about 24,000 characters/hour. Major changes, however, have been in magnetic storage, which is now dual floppy disc with an increase in character storage to 0.5m and random access of stored material in a few milliseconds. Earlier machines used cassette tapes.

A further market being pursued by Itek is connection to word processing units, the rotating optical disc which also output of which may not be in suitable form for printing; a new data communications interface obvietes re-keyboarding. Only minimal operator intervention is needed for the word processor to talk directly to the Quadritek over phone lines, Itek is at Mora Street, London

LET YOUR BUSINESS placed, about two-thirds of them in commercial printing and the remainder in in-plant print keyboard. Fount and size Itek is at Mora Street, I shops; the latter market is in- changes can be made from the ECIV SBT (01-253 3080). WEIGHING equipment made by Solidate, of Sandbach, Cheshire, has been specified by George the £500m aluminium smelter being built DUSTRIAL CUMBRIA in Dubai. The complex will eventually produce 135,000 tonnes of high grade aluminium a year. It is due to be completed in two



Come to Cumbria where there s room for your business to grow. We can offer the best in new rea built factories at low rentals (with a possible 5-year free period). There are maximum Regional Development grants from the Government and you will be entitled to a 100 per cent first year tax relief on new machinery and plant. The whole of Cumbria is of course designated as a Development Area or a special Development Area. Some of the best leading British and International companies have seen the advantage of coming to Cumbria and are already well established here. They include such household names as Courtailds K Shoes, Leyland National, Metal Box, Glaxo, Nestle, Pirelli, Rownbre Mackintosh and Bowater Scott just

There are well laid out industrial estates in many parts of the county with factories from 5,000 to 25,000 sq. feet ready and waiting

for you to move into. People in Cumbria believe in getting on with the job and that's why we have one of the lowest strike records in Britain. We have people ready and willing to take on ne

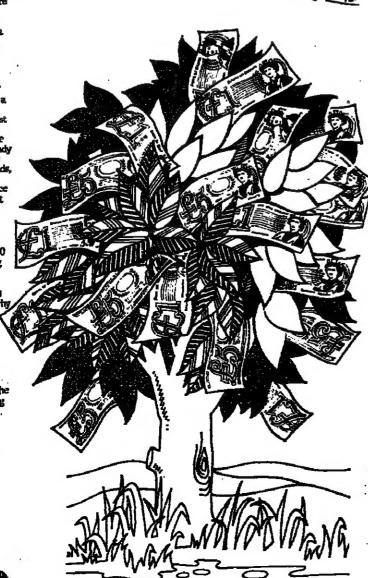
Remember, if you come to Combria you will be living and working only minutes away from the Lake District National Park, among the finest scenery in Britain. Just another plus for Cumbria.

For further details please contact: Bob Childes, Industrial Promotion Officer, Cumbria County Council, The Courts.

Carlisle, Cumbria.

Telephone: Carlisle (0228) 25456

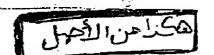






TIME WITH THE SPEAKING CLOCK

STROKE I CAUGHT THE 815





BRITAIN'S EXPORT SUPERSTAR.

With exports of nearly £910,000,000 BL is one of Britain's largest and most successful exporters.

But what sets us apart from other valuable exporters is the fact that we import so little.

We buy British. By buying our steel and other materials from British companies, we're supporting over 7000 different UK based suppliers.

So that when you subtract our import bill from our export earnings you'll find, as manufacturers, we're far and away Britain's biggest earner of foreign currency.

Our country depends on overseas trade for its very existence.

And the money that BL earns abroad makes a greater contribution to Britain's balance of payments than any other single company.



£8m project for Warrington centre

Golden Square development Cheshire, is to be undertaken Place, the project connects with by A. Monk and Company. Phase 2, also built by Monk, Value of the contract is over which overlooks the Golborne

for Legal and General Assur- of Georgian and Victorian style ance (Pensions Management) facades to existing shop buildand will form the eastern segings are being conserved and ment of the shops and the existing fish market building bus station begun by Monk in refurbished.

out projects using its timber

frame system of construction

for the Property Services

Agency and Crawley Borough

Largest scheme is valued at

tion of 155 married servicemen's

and officers' quarters in timber

Laing worth over £5m cover

home improvements works, and

centre for the Goodyear Tyre

Six contracts, to improve

more than 500 dwellings in

Manchester and Salford, are worth about £3m. Five con-

tracts are for the Manchester

City Council, and form part of the housing committee's pro-gramme of modernisation of

pre-war dwellings. Largest job is the Catterick Hall Improve-

ment Scheme phase 1B at

Burnage, where the company is

-carrying out essential repairs,

removing fireplaces, refitting

kitchens, modifying electrical

systems, installing central heating, insulating lofts, and com-

pletely redecorating the in-

to build Goodyear's technical

centre under a £2m contract

at Craigavon, Co. Armagh,

This will comprise a 63,000

The company's Irish region is

teriors of 147 dwellings.

Northern Ireland.

and Rubber Company.

international technical

construct contract for the erec- kitchen.

An interesting aspect of the was over 250 years ago. Addevelopment Bounded by Horsemarket whole scheme will be a 9 metre jacent to this building will be Warrington. Street Market Gate and Market high pedestrian mall serving a number of shop units revolute. Street ring road and frontage station. The work is being carried out with Sankey Street. A number

ling about £7.8m and is to carry involving and ancillary services. Houses

insulation and redecoration.

Additionally, 13 of these houses

all the new houses (two-, three-,

and four-bedroom designs) will

have fully mechanical ventila-tion operated automatically by

The other two contracts, for

SEVEN CONTRACTS for John square foot laboratory, test area offices and Galbestos insulated

ternal works, next to an exist-

ing plant at Silverwood Road.

ing will be steel frame on con-

volving jetty work at Tilbury

Docks to John Mowlem and

An existing timber "lead-in" jetty will be partly replaced

with new dolphins on the up-

stream side of the dock entrance. The jetty helps guide ships into the entrance lock.

Work has already started on re-

placing sections badly damaged

by impact from shipping with

three reinforced concrete dol-

Construction of the new build-

roads drainage and other ex- areas.

uarters in timber Crawley Borough Council, inhigh-insulation clude the building of 155 houses scheme.

and associated offices, plus site cladding to laboratory and test

crete pad foundations with pre- block and an extension to the

Docks work for Mowlem

PORT OF London Authority has phins. A fourth, isolated dol-awarded a £1.6m contract in-phin, will protect the upstream

cast concrete cladding panels to laboratory test area.

Feature of the scheme is that

Lovell Housing makes £7.8m

are to be enlarged.

Laing takes seven new jobs

£3.2m and is for the PSA on a "dew detector." Air drawn behalf of the Ministry of by a fan from the roof space Defence at Dale Army Camp, will be ducted throughout the

Chester. It involves a design and building and exhausted via the

over 50 of the shopping units and giving access from the bus

Beside the fish market struc- and Partners with Ove Arup ture there is to be a conserva- and. Partners as structural tion area in which the old town engineers. Donald Smith, Seyhall, previously demolished will be rebuilt in specially selected brickwork and faced just as it Theobald as quantity surveyors.

are all three-bedroom, being

designed either for three or four

persons, and the flats are two-

Altogether, 751 people will be

accommodated by the scheme.
At Bewbush 7, contract value

of £2.2m covers 188 units com-

(three-person, two-bedroom) for

Completion is due by early 1980, and provision will be

made for the possible addition

of a further storey to the office

Structures, which will be sup-

ported by tubular steel piles,

will be 29.5 feet wide and vary in length betwen 55.75 feet and 66.6 feet. Dolphins will be pro-

tected by heavy steel fender

the jetty where necessary and strengthening the "knuckle" be-

tween it and the entrance lock.

Completion is due this autumn.

section of the jetty.

paraplegics. Altogether,

prising 104 houses (all fiveperson, three bedroom), 80 flats (three-person, two-bed-room), and four bungalows

single bedroom.

person,

to look as they did in Georgian and Victorian times. Architects for the complete Four wheels

scheme are Ardin and Brookes mour and Rooley as services engineers and Gardiner and

Saudi plan worth MARLOW BASED construction values, together with the and eight flats at a cost of company, Lovell Housing, has modernisation of 81 traditional homes by rewiring, installation this includes external works are contracts total homes by rewiring, installation the contract total homes by rewiring, installation the contract total homes by rewiring t

A CONTRACT for the complete infrastructure for Camp 10, the first stage of a residential area in Jubail, Saudi Arabia, has been awarded to Mothercat

(Saudi Arabia) WLL The contract, valued at £15.8m, covers sewage and water networks, roads, fencing, drainage, electrical and telephone systems. It will take two years to complete the task.

Well-earned recognition

THIS YEAR'S Construction News "Man of the Year" award has gone to the project manage-ment team which built London's tallest building, the 600 ft high National Westminster Bank tower in Bishopsgate, City of

tailor's scissors to precisely fol-low a chalked line, is a line The two men who won the marking machine called Lawco Line-It. claims Lawtons of award were project director. Roger Sainsbury and project manager, Alf Ames of John Mowlem and Co., both of whom have worked on the develop-ment since 1969, starting on site in 1971 Liverpool 60. Vauxhall Road, Liverpool L89 3AU (051-227 Layout of a car park, factory, warehouse, etc., can be initially

A silver replica of the tower marked out with chalk, and all that is necessary, says the com-pany, is to place the front wheel of the machine on the was presented at a ceremony at the Inn on the Park Hotel, in London last week. line and the device will pro-

Industrial building Other work includes repairing project

A START has been made on an industrial building development project at the Fort Industrial Park on 25 acres of land at Fort Dunlop, Birmingham. It is being carried out by Bryant-Samuel Investments, which has taken a 125-year lease from the freeholder Dunlop Holdings. Legal and General Assurance Society is funding the develop-

Main contractor is C. Bryant and Son, with C. Bryant Civil Engineering carrying out pre paratory work including roads and sewers.

The project calls for 53 factory and warehouse units from 5.000 sq ft upward. The first phase is due for completion in December of this year. Leasing agents are Phoenix Beard and Edwards Bigwood and Bewlay.

been awarded contracts totalling £3,379,000. McGregors joined Norwest Holst group in October, McGregor (Paving) has a Robert McGregor and Sons

has obtained a contract worth £31m from NCB Opencast Executive. It is for the recovery of 336,000 tonnes of coal by opencast mining near Ilkeston, Derbyshire. This will involve removing and later reinstating

£3.3m awards to McGregor

conjunction with the Research maintenance a problem.

TWO McGregor companies have part of Nottingham canal. Combeen awarded contracts totalling pletion is due in June 1982. British Rail. British Rail. PACT is now in use in main £129,000 contract from British line railways in many parts of Rall (Scottish Region) for the the world. Its relatively thin installation of payed track section, high stability and (PACT) in Penmanshiel Tunnel, virtual freedom from maintennear Grantshouse, Berwickshire. ance makes it ideal for use in McGregors pioneered this difficult locations, in overhead patented system of slip form electrification schemes, or in paved, continuously reinforced, parts of the world where the profiled concrete track slab in geography often makes track



mai

accommodate nine people. On the ground floor will be banks and shopping facilities to serve not only the students but also the community, and the project will have open land.

Building Design Partnership of Manchester, who will also be responsible for the civil and structural engineering, services and landscape design.

line is laid without drips or work for the Borough of spread and the quick-drying Torbay includes the erection of paint promises to be suitable 34 homes at Hele Estate-for use on surfaces as varied Torquay worth 5488,942. This as tarmac, concrete, asphalt and involves demolition of 54 existing houses, erection of the new Machine can be wheeled and homes and includes all auxiliary controlled with one hand and services, drainage, roads and is operated by a single, push-external works.

A job worth £176,344, for button on the handle. Devon County Council is for adaptations to Plymouth Poly-First aid technic, Hoe Centre, Plymonth.
Finally, a contract worth
£126,760 for the Property Serand medical vices Agency is for an extension to a telephone exchange at Bickham Street, St. Budcaux,

Plymouth.

Cheshire.

University

A STUDENT accommodation block for the University of Man-chester is to be provided under

chester is to be provided to a £1.4m contract awarded to Bookin the Middlewich,

the Middlewich, based construction

house 217 students in

Pochin

ARCHITECTS Scott Brownrigg and Turner are to produce drawings and specifications for the Property Services Agency for a medical centre for the task for Ministry of Defence (Navy) at

the RNAD Establishment at Gosport, Hampshire, The building has been designed and will be equipped to carry out routine medical examinations and also to deal with accident cases in the depot.

Accommodation is to be provided for a senior nurse, together with a consulting Machine will also be serviced and sold in this country by Poclain in Yorkshire, Lancasuite, audiometry room, dispensary, treatment and recovery rooms with a special bath and shower. A small office for records will be sited next to **Demarcation** the reception and waiting area.

French Kier job at gas plant

INCLUDED IN four contracts, worth a total of £2m, awarded to French Kier Construction is one for the British Gas Corporation, worth £1.2m, for building works at the Wisbech compressor station. This contract also includes all internal light-ing, heating, fittings and finishes and associated cable ducts and

ing. Design advantages ensure the IN BRIEF

 Arrowcroft Estates in con- J. C. Bamford's plant at junction with London Transport Rocester, Staffs. It has a six Pension Fund has started an cylinder Perkins engine and a alteration project on building at 217 Sauchiehall £400,000 on development of the Street, Glasgow, Gilbert Ash excavator, Scotland, a Bovis company, has got the job which is worth A £250,000 contract to supply got the job which is worth pre-fabricated building £850,000. It will be completed early in 1980.

duce swift and accurate mark-

performance

FROM FRANCE, where it has

been used for cutting moss and peat, is a 4-wheel drive backhoe/loader, new addition

to construction equipment sold in the UK by J. I. Case, Smith

House, Elmwood Avenue, Feltham, Middx. (01-890 0842).

agricultural industry—particularly for ditching and draining

in Ireland—the machine is primarily intended for civil engineering work, building

sites, small motorway jobs.
Its 4-wheel drive is said to

give more tractive effort, extra

loading capability, better manoeuvrability in tight situa-

tions and increased versatility

in all ground conditions. This also enables the loader/backhoe

to reach work locations that

2-wheel

machines cannot get to, says the

shire and West Midlands.

made easy

SIMPLE AS using a pair of

maker.

Apart from its uses in the

crawler excavator has begun at been won by H. H. Robertson.

the 0.5 cubic metre bucket capacity. Mackintosh Bamford says it has spent over

pre-fabricated materials for the new port com-• Production of a new 121-ton plex at Jebel Ali in the Gulf has

Four High Mill. 10in x 16in wide fixed speed Two High Mill.

6in x 16in x 20in wide four High Mill.

1970 CUT-TO-LENGTH max. capacity 1,000 mm 2 mm x 7 tonnes coil fully overhauled and in excellent condition. STRIP FLATTEN AND CUT-TO-LENGTH LINE

RWF TW STAND WIRE PLATTENING AND STRIP ROLLING LINE, 10in x 8in rolls x 75 ho per roll-stand. Complete with edging

SLITTING LINES (2) 300 mm and 500 mm

MACHINE by Platt. Max. capacity 2in Bar 2.50in tube. 8 BLOCK (400 mm) IN LINE NON-SLIP WIRE

SIX BLOCK (22in x 25 h.p.) IN LINE, NON-SLIP VARIABLE SPEED WIRE

DRAWING MACHINE by Marshall Richards 2 15 Die MS4 WIRE DRAWING MACHINES, 5,000 ft/min with spoolers by Marshall Richards

DIE 1,750 ft/min SLIP TYPE ROD DRAWING MACHINE equipped with 3 speed 200 h.p. drive 20in. Horizontal Draw Blocks 22in Vertical Collecting Block and 1,000 lb Spooler. (Max. inlet 9 mm finishing down

, 9 and 17 ROLL FLATTENING AND LEVELLING MACHINES, 20in, 36in, 59in

by Fielding and Platt, 85 ton main ram

No. 1 FICEYP SHEAR, max. capacity 50 mm

pneumatic single blow. 36" Diz HORIZONTAL BULL BLOCK

TWO SPEED REVERSING ROLLING MILL, equipped with 20in dia x.30in wide rolls. Twin recoilers and 350 h.p. drive.

HERDIECKERHOFF 100 KW VACUUM HEAT TREATMENT FURNACE complete

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Wall Wall

How managers should talk directly to employees

MANY MANAGERS have been indignant about Prince Charles's comments on their inability to communicate with their employees. Yet in many com-panies the management has given up direct communication with the employees, relying instead on trade union repre-sentatives to convey information to the workforce.

Once management has relinquished direct communication it is hard to regain. Given that it is the role of the representative to protect the interests sentative to protect the interests him. he will quite naturally lay emphasis on the shortcomings of management proposals while

playing down the benefits.

There are two ways in which
a manager can inform his extended command. One is step-by-step; the manager instructs his immediate subordinates to pass on information to their own subordinates and so on until everyone under his command has been

The second is by communicat-Ing directly either by speaking all employees then efficiency to them, writing to them or will be affected when speculadisplaying a notice. Direct communication is sometimes known as "contraction," which conveys the sense of the manager shrinking the hierarchy by speaking directly to all those employed in it.

Many managers will say that to introduce "contraction" would arouse the hostility of the shop stewards, who would

the shop stewards, who would claim it was their responsibility communicate with the employees in this way. But in yielding to the notion that it is improper for them to communicate directly, managers have endorsed the illogical idea that representatives are responsible for conveying the facts. Yet managers have no authority to insist that the information is conveyed accurately.

This sad state of affairs is caused by confusion between the communication of facts' and "negotiation."

The following is a precis of a fiscussion which took place many years ago between union officials and shop stewards and nanagement in attempting to overcome this confusion:

Shop Stewards—If you talk to our members directly it will be t breach of accepted negotiating practice. We will not allow it.

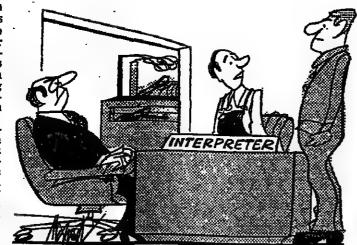
Manager—I must have some neans of ensuring that the facts of the situation reach every mployee and also that any questions about my proposals are answered as I would myself. are you prepared to say to each me of your constituents what I

Shop Stewards—This is a idiculous suggestion. Shop nstructions of that kind from nanagement

Manager-Fair enough, I only demonstrate the mpracticability of managers elying on representatives as a neans of making their proposals nuite clear to all employees. Do ou, however, agree that man-igers must have some available neans of informing each and very employee of the facts as ne sees them and of any of his pecific proposals?

ibout: it has always been practice for management to onveyed to our constituents.





"To cut a long story short, you're fired."

Manager—Now the cards are on the table. I am responsible to the Board for the operation ated efficiently my career is at stake. If facts and plans are not communicated accurately to tion and distortion takes the place of fact. Yet you want to deny me the right to contract, deny me the right to control what you communicate and reserve to yourselves the right to decide whether or not to keep employees informed

accurately.

Shop Stewards—You don't understand our point. We don't object to a manager talking to employees; we object to two-sorts of negotiations going on at the same time: one with us Shop Stewards and the other between you and our constitu-

Manager-But I have neither the intention, nor would it be possible for me, to negotiate with my extended command. I negotiate with hundreds of people; I merely want to present facts and answer questions about the facts. If I attempted to bargain with them it would undermine the whole process of negotiation with you.

Shop Stewards—Well we are glad to know that you have ment of every plant in Britain some sense of realism; but we which employs more than say are not satisfied. There are always some stupid idiots in a letter every month to the home large gathering and if they of every employee, providing start discussing the settlement information about such matters of some problem with you, you as the order book, new plant, can't stop them. Their ideas new buildings, new products. may be quite out of line with labour turnover, management the interests of the majority of proposals for change, new our members. We are the markets, markets in jeopardy accredited representatives, not because of delivery problems, those who happen to speak out output figures etc.

meeting employees in person or by writing direct to them, I shall restrict-what I say to the facts as I see them; I will refuse to do anything in a meeting except answer questions about facts and I will refuse to discuss solutions to problems which are raised. In short, I shall refuse to negotiate.

Shop Stewards—Ah! but we can never be sure that you will stick to such an agreement. Shop Stewards We don't Manager—I will not hold inderstand what all the fuss is such a meeting unless I am assured that representatives of those I am addressing at: present. Then you can observe is to decide how much detail is whether I stick to the rules or Industrial

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The following rules of procedure arose out of that meeting as follows:

1. Managerial plans and proposals can be elucidated directly by managers by writing or speaking directly to em-ployees in their extended com-

2. Negotiation shall take place only at meetings between mana-gers and representatives.

3. A manager who commun cates directly with his extended command to elucidate his proposals is exceeding his authority if he uses the occasion to negotiate or to solicit views or information.

The logic of those simple rules must be got across in every company and plant in Britain where currently the right to contract is denied by Shop Stewards. Unless all employees are fully informed of the facts then confusion and hostility can dominate any situation. Is it not paradoxical that while the TUC has persuaded a Labour Government to enact legislation which insists that managements provide more information to representatives. that those same representatives deny the right of managers to communicate that information to the rank and file:

I suggest that the manage which employs more than say 500 people should be sending a

Such letters must completely Manager—You have a point. avoid anything which can be to meet it I am prepared to interpreted as persuasion or sign an agreement with you which puts a bias on the facts. should be invited to add any appendix they wish, which similarly should be confined to facts which they wish to communi-

> For a company employing 1.000 people, the cost of communicating in this way by post would be less than £5,000 pa. The results in terms of a better informed body of employees and the consequent improved relationships might be astound-

Lord Brown-formerly head of Gincier Metals company and the Board of Trade—is now a member of the Governmen"s Advisory Board.

In recommending a small firms loan guarantee scheme, last week's Wilson Committee revealed that it had drawn on experience in Holland. Robert Oakeshott reports on the Dutch bank where it all started

Dutch lead on loan guarantees

bankers and seemingly never-ending debate about whether Britain ought to have a State-backed guarantee system for the financial loans that clearing banks give to small firms. On Friday the issue was given fresh impetus when the Wilson Committee on financial institutions backed the idea of such a scheme. What will happen now is unclear and may well lepend on how long the present Government remains in power. But throughout the debate there have been recurring

questions about whether such a scheme is really needed and about who should bear its costs. As a result both the Wilson Committee, and the National Economic Development Council's Roll Committee which studied the problem last year, have looked abroad for reassurance and experience. One country regularly studied is Holland, where the Roll Com-mittee was told by officials that they believed their scheme did make a significant addition to the amount of funds available to

Until March 1977 only one Dutch bank, the Nederlandshe Middlestandbank (NMB), enjoyed the possibility of the Government guaranteeing to cover its lending to the country's small and medium sized companies. Then competitor banks objected to the monopoly which was ended when other major Dutch banks were embraced by the guarantee

NMB's former monopoly was tied to its history. The bank was founded as a result of government initiative in 1927, when it became the consolidated successor of a number of

Government catered for the needs of the officials have been locked in a country's small and medium sized sector. NMB, then owned by the shareholders of its antecedents, agreed to take over those antecedents amounting to some FI 2.5m in return for Government guarantees of the credits. From these arrangements evolved during the depression the possibility of Government being prepared to guarantee new NMB loans to small and medium sized

Shareholder

Government changed from being solely a guarantor of certain loans to that of major shareholder as well when in 1942 it converted the loans it was guaranteeing into NMB shares, thus giving it an 80 per cent shareholding. However, this has been diluted over the years to a current 23 per cent as a result of further share issues by NMB and rights issues for which the Government has not subscribed.

The literal translation NMB's name is the Dutch Bank for the "Middle Classes." But the linguistic point is that certainly between the wars and still to some extent today the term " middle class," as used in Holland and Belgium, refers primarily to small-scale business people and the self-employed. To avoid misunderstanding in the Anglo-Saxon world there is now a strong body of opinion inside the bank which favours a change of name to the Bank for Small and Medium Sized

In any event, a bank for small

and medium-sized enterprises, is

still very much remains. In to no more than 0.75 per cent ment which the Dutch have 1977 more than two-thirds of its lending was to the small and medium-sized sector. Looked at the other way round NMB outstanding credits advanced by reckons that it supplies banking services to roughly half of Holland's quarter of a million small and medium-sized busi-

Its involvement with small businesses has not prevented its own growth, which has been far from sluggish in the post-war period. Its balance sheet total increased from Fl 118m to over Fi 33bn between 1950 and 1978, making NMB the fourth largest of the Dutch banks. Though the Government's

loan guarantee has existed for NMB for around 50 years, it was not until the post-war period, and particularly from 1950 onwards, that this type of lending business became of really considerable importance. In 1957, for example, as much as 41 per cent of its total lending was covered by government guarantees. In more recent years, though, a fairly rapid decline has taken place in this percentage of the bank's total 1977 lending of Fls 15,879m, not more than Fls 747m, or less than 5 per cent, was covered by Government guarantee. One of chief reasons for this decline, or so the bank argues, is that in many cases of inadequate collateral where it would have previously sought a Government guarantee, it now feels able on the strength of its successful experience, to make a loan on its own account.

Certainly it is hard to dissent from the bank's judgment that the experience of lending under the official credit guarantee should not be exaggerated either small and medium sized enterarrangements has

had what NMB has been and what it success. Losses have amounted or as prt of the general environnon-guaranteed loanswhich is apparently running at between 1.5 per cent and 2 per

How loan guarantee liabilities arise when a loan goes sour is described by a bank official thus: "If there is a bad debt after money has been lent under the credit guarantee scheme for small- and mediumsized business, then it is decided after the event whether the Government or we our-

selves should stand the losses." The understanding is that the bank will only have to stand the loss if it emerges in the post mortem that the bank's judg-ment in making the loan in the first place was commercially unsound and unreasonable. There have been occasions when that has happened but they have apparently been very few. The arrangement, in other words, seems to work well. It clearly advantageous Government that it is thus able to maintain what is essentially arms length relationship with the whole scheme. For guaranteed loans are extended above a certain figure, currently Fl 250,000, it is only after a bad direct official involvement. The importance of

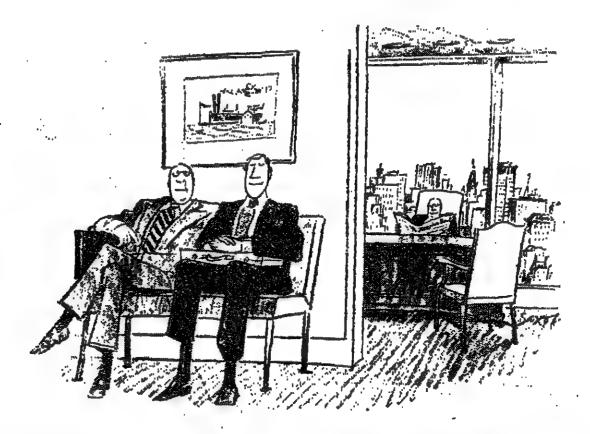
guarantee scheme. however,

of total guaranteed advances, a created for small and medium figure which is curiously sized businesses. For one thing identical with the experience of the net new amount of NMB's the rather different credit credit guarantee lending, as well guarantee companies in West as its total of guaranteed lend-Germany. More important, the loss percentage on NMB's In 1977 the figure was guaranteed loans is well below no more than Fl 49m (or, 12,5m) of its total guaranteed. loss percentage on NMB's In 1977 the figure was guaranteed loans is well below no more than Fl 49m (or, say, £12.5m) of its total guaranteed to the say of Fl 247m (and teed figure of Fl 747m (and total lending of Fl 15,879m).

Very roughly its lending to small and medium sized enter-prises can be broken down into three main subdivisions. Distribution enterprises—the retail and wholesale trade-account for perhaps 40 per cent of its lending. A similar percentage goes to small manufacturing, and craft enterprises, with the balance divided between transport, hotels, restaurants and

Key point

But the key point is that NMB has built up in its staff a specialised and detailed knowand medium sized business success in these various sectors. It knows what manning and what needed if a profitable restaurant is to be run or if a successful small furniture making business though formal Government is to be established. That at approval is required before any rate is what it claims. And it is plausible to suppose that it is this concentration of specialised knowledge, and its debt that there is any real or availability to branch managers around the country, which has played the biggest part in the success of the bank's lending to



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That gold in the peasant's garden

dends, or by investing the

proceeds of the sales of the title

deeds in the market. The

difficulties arise from a different

direction : the present workings

of the exchange market. If the

Bank of England is told not to

are discouraged by exchange

control from acquiring overseas

assets, then the main effect of

Sea oil and no current surplus is generated. This is what is normally meant by the "Dutch disease."

Mr. Posner states all this with

great eloquence but is dubious

of the obvious solution, which

The Posner argument assumes

unemployed labour and that the

main effect of such a stimulus

would be on output and employment. But supposing that he is

wrong and that, as the mone-

tarists argue, the main effect were to be a higher rate of infla-

tion. In that case there would

indeed be a pretty hefty depre-

riztion of sterling, but quite

unprofitable exports and the

out of exchange control would

lead to a lower real exchange

corporate or his personal form,

would not take enough advant-

age of the ending of exchange

control. . This at least is a re-

freshing change from the worry

that funds would flee from Lon-

On the other hand a phasing

Dutch disease.

BY SAMUEL BRITTAN

A LITTLE while ago Mr. Calla- the public would be quite comghan replied to a Parliamentary patible with more overseas critic who had taunted him with investment, either through critic who had taunted him with the way in which the benefits of direct reinvestment of the divi-North Sea oil have been used to finance a consumer boom. which the Prime Minister had been previously determined to Instead of giving a partisan reply, Mr. Callaghan simply asked for suggestions about what to do; And answer accumulate too much extra came there none. Perhaps as foreign exchange, and in a patriotic citizen, I should have addition members of the public sent the PM cuttings; but life is short and in-trays are very

Meanwhile the well-known North Sea oil is likely to be a Cambridge economist, Mr. higher real exchange rate, Net Michael Posner, has made this exports are displaced by North very subject the topic of a Paper to the Manchester Statistical Society on March 13. His starting point in Man. disease. chester was that of a peasant who finds gold or some other gift of nature" in the back garden. The peasant will con- is to phase out exchange control sume more, work less, purchase so that British citizens, like our more capital equipment for his original peasant can acquire the farm or acquire financial assets overseas assets. He prefers another way of skinning the cat: to wit a more expansionary fiscal no way of saying what is the and monetary domestic policy, best combination of these activi- which would indeed drive the ties without knowing more about exchange rate down, the preferences of this peasant between present and future that there is a large usable satisfactions and the investment margin of spare capacity and opportunities open to him.

North Sea

In the case of North Sea oil the British Government tax take will absorb 70 per cent of North rest is heneficially owned overseas. Mr. Posner suggests that one way of spending the revenues would be to give all members of the public a security lahelled a "share in North Sea oil" which would be "clipped every year," on his calculations to the tune of £250 per taxpayer. This of course is exactly what Barry Riley and myself have proposed in "A People's Stake in North Sea Oil" (Lloyds Bank Review, April 1978).

Mr. Posner acknowledges rate and more profitable exports this and expresses himself on almost any assumptions mildly in favour "of our idea, about the workings of the Re points out that the attention domestic economy, although He points out that the attention domestic economy, although of the public would then be opinion would still differ on the grawn to the source of the appropriate accompanying fiscal timexpected benefits received, so policy. Indeed, one or two that they can take account of key official financial advisers their transitory nature. Dis- are beginning to worry that the cussion would be stimulated British peasant, in either his about how to dispose of the resources, not only in Whitehall, but throughout the country. This is over and above the benefits of capitalisation which we have stressed.

† Indicates programme in

BBC 1

6.40-7.55 am Open University (ultra high frequency only). 9.15 For Schools, Colleges. 10.45 You and Mc. 11.00 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Barnaby. 2.01 For Schools, Colleges. 3.15 Songs of Praise. 3.53 Regional News for England

Mr. Posner points out that don and is a problem for future distribution of the revenues to discussion. (except London). 3.55 Play School (as BBC-2 11.00 am). 4.30 It's The Wolf. 4.25 Jackanory. 4.40 Baggy Pants

> and South-East only). 6.20 Nationwide. 6.50 A Question Of Sport. 7.20 The Rockford Files.

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3 Put down pound to help (4)

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pasture (4, 5)

the bar (7, 3)

lowing habit (8) 6 Performance by high-flyer at

to understudy (6)

ing some space (5)

greens? (5, 5)

off bangers (6)

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drawn out (4)

(5, 3)

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Wales. Northern Ireland-3.53-3.55 pm Northern Ireland News. Scene Around Six. 6.20-6.50 Hello Sunshine. 11.50

Ireland. England-5.55-6.20 pm Look East (Norwich): Look North (Leeds, Manchester, New-castle); Midlands Today (Birmcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); South Today (Southampton); Spotlight South West (Plymouth).

1.28 pm Anglis News. 2.00 House-large party. 2.25 Monday Film Matines: "Foreign Intrigue." 8.15 University Challenge. 6.00 About Anglis. 11.15 Monday Feature Film: "Dillinger." 12.30 am Refection.

11.00 Play School. 6.55 The Water Margin.

10.25 La Dame Aux Gladiolas:
"Arena" presents The
Agony and the Ecstasy
of Edna Everage. 11.10 The Light of Experience. 11.25 Late News.

RADIO 1

RADIO 2

RADIO 4

The problem of Mrs. Tilling's and

Miss Dossett's cottage

BY JUSTINIAN

Any gaps revealed in examin- Dossett, who used to live there, ation must be left alone until left it to live in Oxfordshire. The defence succeeded in the county court, on a preliminary point of law. The Court of Ap-

Tilling, however, still ing statute. Lord Denning has resided there immediately called this the "old grambefore February 19, 1975. After matical" approach, and depreting the tenancy agreement came peal upheld the decision of the county court by a majority of into effect, she too left. Below the agreement was a notice. the provisions of a statute so Below the notice was Miss that she had received it. The

> case goes back to the Canterbury County Court for trial on tenant could fail to understand issues of fact. The preliminary point of law concerned the provisions of case 10 of Part II of Schedule 3 to Two years passed by, but Miss Whiteman remained in the cottage and refused to leave. the Rent Act 1968 now re-enacted and contained in case 11 of Mrs. Tilling and Miss Dossett her in the Canterbury Part II of Schedule 15 to the

> County Court for an order for Rent Act 1977. possession of their cottage. The The relevant provisions read basis of their claim was that as follows: "Where a person they were joint owners of the who occupied the dwelling-house cottage, they had formerly as his residence (in this case occupied it as their residence, referred to as "the owner-occupier") let it on a regulated tenancy and . . . (c) the court is satisfied that the dwelling-

when he said in his speech that 10 was designed to safeguard two to one. But a further appeal "the legal issue in the present-by Mrs. Tilling to the House of case is not an easy one"? He THE WEEK IN THE COURTS

ling-house as a residence."

Lords succeded by a majority of conceded that case 10 said nothfour to one. As a result, the ing about joint owners or joint occupiers, but added that "in my opinion our task must be to attribute that reasonably admissive meaning to the language which will best carry out what appears to be the legislative in-

> Through this approach he found it "possible" to say that Mrs. Tilling was an owner-occupier who "let" her cottage on a regulated tenancy within the provisions of case 10, even though Miss Dossett had to join in the agreement for the letting to be effective. He felt justified in avoiding a strict interpreta-

sions, who will refuse to syme existed, a serious shortage of pathise with Lord Wilberforce residential accommodation. Case persons who occupied their homes against the danger of losing them should they let them during their absence. Case 10 enabled more living accommodation " to become available to the public than would otherwise

have been the case." But, in his speech, Lord Fraser of Tullybelton disagreed. He found no assistance in the policy of the relevant provisions of the Rent Act 1968. The main policy of the Act was to give security of tenure to tenants. The issue to be decided was the scope of the limit to an exception to that general policy. He interpreted case 10 as creating composite person consisting of both joint owners." It was neither "right" nor "possible" to read the word "let" in case 10 as if it meant "concurred in letting." Paragraph (c) of case 10 applied only where a house was required by both owner-occupiers or a member of their joint family as a residence. Whatever approach is adopted

THERE ARE TWO ways of they let it to Miss Whiteman, that this claim must fall, house is required as a residence regulated tenancy contained in bound, on occasion, to cause interpreting the provisions of an interpreting the provisions of an Act of Parliament. One involves February 21, 1975, at a weekly cottage not as a residence for examining the actual words of rent of £12.50. Some time them both, but only for one of the statute in splendid isolation.

There are Two ways of they let it to Miss Whiteman, that this claim must fall, house is required as a residence regulated tenancy case 10.

The course of the owner-occupier or any case 10.

The course of the owner-occupier of his family who recommended in bound, on occasion, to cause they required the owner-occupier or any case 10.

The course of the owner-occupier of his family who recommended in bound, on occasion, to cause they required the owner-occupier or any case 10.

The course of the owner-occupier of his family who recommended in bound, on occasion, to cause they required the owner-occupier or any case 10.

The course of the owner-occupier approach, in his speech. He said the course to acknowledge zane that at the time when the Rent that at the time when the Rent that at the time when the Rent that at the time when the course to acknowledge zane they required the owner-occupier or any case 10.

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The course of the owner-occupier or any case 10.

The course of the owner-occupier approach, in his speech. He said the course of the owner-occupier approach, in his speech. The course to acknowledge zane the course of the owner-occupier approach, in his speech. The course of the owner-occupier approach, in his speech. ing-house as a residence." Act 1968 was passed, there as gaps and to leave them to be After reading those provisions who will refuse a provimay be as sterile as to vote at every election for Tweedledum rather than Tweedledee.

Was the general legislative purpose underlying the provisions of case 10 to enable a joint owner who was not in occupation of residential accommodation at the relevant time to enjoy the advantages of the legal position of a joint owner who was? Or were those provisions designed for the entire benefit of a single owneroccupier where ownership of the premises he occupied at the relevant time was sole and exclusive? If joint owners or joint occupiers were not mentioned explicitly in the statutory provisions, why interpret them gap have been intentional?

Ideally, all statutes should be drafted with sufficient clarity so as to be readily and immedi-ately intelligible to all persons concerned. But this is to adopt the posture of King Canute and to ignore the fact that like the truth a statute is never pure tion of the phrase "let it on a to statutory interpretation, is and rarely simple,

Remigio in form for Folkestone

Whiteman's

acknowledgment

notice, in language befitting a

legal document, stated that "under the Rent Acts of 1968

and 1974 that the landlord may

recover possession of the

premises under the provision of

case 10 of Part II of Schedule 3

possession of their cottage. The

they were joint owners of the

and they now required it as a

Miss Whiteman's defence was

residence for Mrs. Tilling.

to the Rent Act 1968."

those words instantly?

SOME OF the worst postmemory has again put the Folkestone is untouched.

likely also a hefty rise in British costs. So paradoxically the real exchange rate, that is the While nine-tenths of the exchange rate relative to our country lies either under snow cost levels, might not have fallen or water the Kent track reports at all and we could still have

RACING

rectified by a subsequent amend- Mrs.

The other entails interpreting

as to give effect to the general legislative purpose underlying

them. Lord Denning calls this the "modern purposive"

approach and is its most ardent

apostle. It enables the judges

on appropriate occasions to fill

in all or any gaps in any legis-

The case of Tilling v. White-

man, recently decided in the

House of Lords, illustrates the difficult problems which the

courts face and have to solve

when considering the provisions

of statutes, whichever approach

Miss Whiteman

The background of the case

was simple. Mrs. Tilling and her friend Miss Dossett owned

a cottage in a village pear

1975, in a written agreement,

cates it.

lation.

is adopted.

BY DOMINIC WIGAN

no problems for today's Jackpot supported programme which also features the Gay Record Challenge Trophy.

Although weather reports for the South East suggest that racegoers may well be in for the odd snowstorm or buzzard, Folkestone looks likely to attract a fair crowd, for a num-ber of in-form trainers including Fred Winter, Stan Mellor and David Morley, have sent challengers to take on runners from those always to be feared local stables of Josh Gifford. Ryan Price, Auriol Sinclair and Mick Masson.

9.25 The Monday Film: "The McKenzie Break,"

11.50 Weather/Regional News.

at the following times:— Scotland—10.00-10.20 am For

5.55-6.20 pm Reporting Scotland, 11.50 In Deepest Britain.

12.20 am News and Weather

(Around Scottand).

starring lan Hendry.

Trophy which commemorates victory over this three miles. Although left behind in a virtual match with Fettimist at

Fontwell last ime out Beige Prince should, given normal luck in running, be able to score off the 10 st 2 lbs mark. Fred Winter, who saddles the

top weight, Vallant Charger, in the Gay Record Challenge

In the day's most valuable Trophy will, surely, lift the Cheltenham weather in living event the Gay Record Challenge Tenterden Hunters Chase with that experienced 11-year-old, brakes on a season which never the Queen Mother's win under Remigio. Last time out this really spluttered out of first National Hunt rules, I shall be high class three-miler had matgear and it is amazing to find looking to Beige Prince, who ters very much his own way at still will be trying to record his Leicester in the 2½-mile Melton second course and distance Hunt Club Hunters Chase in spite of looking on the burly

> FOLKESTONE 1.45—Toringo* 2.15—Rosie Whisper 2.45—Beige Prince 3.45—Remigio*** 4.15—Aldo 4.45—Azd**

A slow win for Oxford

BY MICHAEL DONNE

OXFORD WON the boat race on trouble, a blow which must have saturday by 3½ lengths in 20 unsettled the crew to some minutes 33 seconds. Although extent. Nicholas Davies, rowing the time was the slowest since World War I.

John Woodhouse, with gastric morale.

12.30 The Cedar Tree. 1.00

News, plus FT Index. L20 Thames News. L30 About

6.00 Thames At 6.

1979.

11.15 The Eamonn Andrews

Ali IBA Regions as London

except at the following times:---

ANGLIA

ATV

BORDER

\$1.20 pm Border News. 2.00 House-party. \$2.25 Matines: "The Three Faces of Eve." starring Joenne Wood-ward. \$.75 University Challenge. 6.00 Lookeround Monday. 5.20 The Sound Of . Nicky Martyn. 10.30 Scottish Liberal Parry Conference. 11.30 Royal Film Performance 1979. 12.15 am Bor-der Summery.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where, 2.25 Monday Matnes, 5.15 University, Challenge, 6.00 Channel News, 6.10 The Amezing Chan and the Chan Clen, 10,28 Channel Late News, 11.15 Fireside Theetre, 12.10 am Channel News.

GRAMPIAN ·

at three, moved to stroke and 1963, it was their fourth con- his place at three was taken by secutive victory - something Graham Phillips, the stroke of last achieved before Goldie, Cambridge's second crew. The upset of reshuffling A few hours before the race the crew at the last minute can-Cambridge lost their stroke, not have helped Cambridge's

GRANADA News, plus FT Index. 1.20
Thames News. 1.30 About "Once Belore I Die," sterning Ursule Britain. 2.00 After Noon Plus. Andress. 5.10 Max, The 2,000 Granada 3.20 This Year, Next Year. Reports. 6.30 Happy Days. 11.75 Reports Politics. 11.46 Fireside Theatre.

11.50 Weather/Regional News. 3.20 This Year, Next Year.

All Regions as BBC-1 except the following times:—

1.50 Weather/Regional News. 3.20 This Year, Next Year.

4.20 Clapperboard. 4.45 Horse in The House, 5.15 Batman. HTV 1.20 pm Report West Heedlines. 1.25 Report Wales Heedlines, 5.15 The 7.00 The Kenny Everett 6.22 Report Wales. 11.15 Report Wales. 11.15 Homosov Film: "The Strange Possession of Mrs. Oliver."

7.30 Coronation Street.

8.00 A Sharp Intake of Breath.

8.30 World In Action.

9.00 Danger U.X.B.

10.00 News.

10.30 Royal Film Performance

Vilver.

Service accept: 1.20-1.25 pm Penawdau Newyddion y Dydd. 2.00-2.26 Hemdden.

2.5-3.20 After Noon Plus (As HTV General Service 2.00 pm). 8.00-8.22 y Dydd. 8.30-9.00 yr Wythnos.

HTV West—As HTV General Service except: 1.0-1.30 pm Report West Head-lines. 6.22-7.00 Report West.

SCOTTISH 12.15 The Eamonn Andrews
Show.
12.15 am Close: Leo Aylen reads one of his own poems.

12.15 am Close: Leo Aylen S.30 Wilkle in Winter. 10.30 Scottish Liberal Party Conference. 1.30 Home and School. 12.00 Let Call. 12.06 am

SOUTHERN 1.20 pm Southern News. 2.00 Houseporty. 2.5 Monday Matines: "Daring Game," straring Lloyd Bridges. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day, 11.15 Southern News Extra. 11.25 Polica Surgeon. 11.55 Farm Progress.

TYNE TEES 8.25 am The Good Word hollowed by North East News Headlines. 1.20 pm North East News and Lookaround 2.25 The Love Boat 3.20 Generation Scene. 3.35 Cartoon Time, 3.50 Little Vic. 5.15 University Challengs. 8.00 Northern Lile. 12.16 am Epilogue.

ULSTER 1.20 pm Lunchtime. 2.25 Keep Up with Yogs. 2.55 The Friands of Man. 4.18 Uister News Headlines. 5.15 Cartoon Time, 5.20 Crossroads. 6.00 Good Evening Uister. 11.30 Compass. 12.00 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays.
1.20 Westward News Headlings. 2.25
Monday Metines: "Ledy 'L'." starming
Paul Newman and Sophis Loren. 5.15
University Challengs. 6.00 Westward
Diary and Sports Desk. 10.28 Westward Late News. 11.15 Fireside Theatre.
12.10 am Faith for Life. 12.15 West
Country Westher and Shipping Forecast. YORKSHIRE

1.20 pm Calendar News. 2.25 Monday Matines: "Lady L." starring Sophia Loren, David Niven and Paul Newman. 5.15 University Challenge. 5.00 Colendar (Emisy Moor and Belmont editions). 11.15 The Geeks.

noon Theatre (S). 4.35 Story Time.
5.00 PM: News magazine, 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Tell Me Where it Hurts (S). 7.00 News. 7.05 The Archers. 7.20 From Our Own Correspondent. 7.45 The Monday Play (S). 9.00 Change of Direction. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Perspective: Lord Chalfont talks about Britain's changing role. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 205 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Breakthrough. 10.03 Late Night London. 12:00 As Radio 2. 12:05 Question Time from the House of Commons. From 1.05: Join Radio 2. London Broadcasting
5.60 am Morning Music. 6.00 The
AM Show. 10.00 Brian Hayes. 1.008.00 pm LBC Reports with George Gale
at 3.00 pm. 8.00 After Eight. 9.00
Nightline. 1.00 am Night Extra.

ENTERTAINMENT GUIDE

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(Gardencharge Creck Cards 536 5503)
Ten't & Thur 7.30 Billy Budd.
Trike ROYAL ALLEY
Tomor 7.30 Enigma Variations, Symphonic Variations, The Concert. Wed 7.30 Mayersions. Li Fin du jour. Elite Syncopations
63 Amphi seate, for all parts, from
10 am on day of sert.

MINION. Test. Court Rd. 580 9862. LONDON FESTIVAL FAILTY EV95. 7.30. Mar. Sats. 2.30. Fil March 27 Nurevev's production of chalvorsky's TME SIEEPING REAUTY. onight Evdokimova, Kage. Mar. 28-21

SADLER'S WELLS THEATRE, Rosebery
Ave. 2C1. 837 1872. Tomor-Mar 31
THE BOLSHO! PUPPET THEATRE OF
LENINGRAD
The Good Soldier Schweit: Evs 7.30.
The Fairy Story of Emilio: Thers 2.00
& Sats 2.30.

THEATRES

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Seats: £1 50; £1.00 for mombers
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"ALAN AYCKBOURN has done it again
His latest comedy sparkles with wit
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Previewing now. Evs. 8.00. 5at. 4.30, 8.00. Goens Wed at 7.00. 5pts. 8.00. WEET-1.0. Sat 4.30 and 8.00. KEITHELL In the new SHEPLOCK HOLMES MYSTERY THE CRUCIFER OF ELGOD by PAUL GIOVANNI

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LYRIC THEATRE. CC. 01-437 1688. Eys. 8. Thur. 3. Set. 8. 8.30 BARBARA JEFFORD FILINGERS

JEFFORD FILLMENA
by Iduardo de PHIDO
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Directed by FRANCO ZEFFIRELLI
Society of West End Theatres Award
COMEDY OF THE YEAR "AN
TYOTAL TRIUMPH." Eve. Nave. "AN
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IT FILL THE LYRIC FOR A HUNDRED
YEARS." Sunday Timos.

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MATIONAL THEATRE. 128 2252. Unofficial industrial action may affect today's performances: please ring 01-828 2252. GLIVINE (open stages: Tonight 7.37 STRIPE by Calsworthy, Tomorrow 7.30 The Fruits of Enlighteneant. LYTELYDM (encochulm stages: Tonight LYTELYDM (encochulm stages: Tonight LYTELYDM (encochulm stages: Tonight LYTELYDM (encochulm stages): Tonight LYTELYDM (encochulm stages): Tonight LYTELYDM (encochulm tages): Tonight Cyprics. Control of Elowalf (supper play) by Christophir Leith. Many excellent cheap seats all 3 cheatres day of sert. Car part Restourn: 928 2033. Cradit card bookings 928 3082.

OLD VIC. 01-928 7618. Young VIC Co. in Shakespeare Sesson directed by Michael Bogdanev. Ton't 7.30. Tamor 2 HAMLET. Tomor 7.30 THE TEMPEST. Wed 7.30 RICHARD III.

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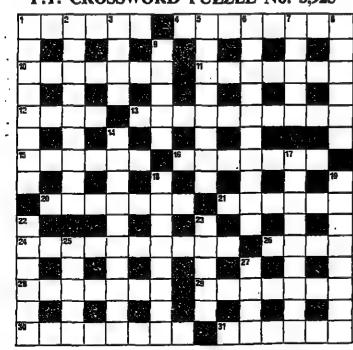
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the head (8)

ACROSS 1 Dirty pass (6) 4 Spirits newsman knocked on 5 Buyer shows hesitation fol-

11 Second summons to work 7 In entrance to house, ring with shell-fish (7) 12 Talent at present (4) 13 Affection never was defeated 9 Horsey type gives small geld-

10 Actor and first person to

appear in Dickens' musical

by antipathy (2, 4, 4) 15 A place for meeting in the 14 Derisive award for efforts on street (6) 16 Month to take comfort and 17 Transatlantic uncle is fitter depart (7)

insurrection beheaded (7)

18 Game for paper boys and milkmen? (2) 20 Publisher's impression of 24 Autograph textbook needing 19 Highly successful time spent king's signature (4. 6)

26 Terrible knock down (4) 28 Key to puzzle on which cakes 22 Practices taking sex-appeal 29 Silenced self-starter turned 23 Permit oriental to go over are made (7) over by plough (7) over by plough (1)
30 Notice barometer used by 25 Stern before end of day

31 Man takes aesthetic cordial 27 Message may be long and

prize puzzle will be published 1 Score at Twickenham and with names of winners next

Saturday. lower ambition (4. 4) The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

and the Nitwits. 5.00 John Newsround, Blue Peter. 5.40 News.

7.20 The Rockford Files.
8.10 Panorama reports on Eric Variey's trade sion to China.
9.00 News.

107 Scotland.
Wales—1.45-2.00 pm Pila
Pala. 2.18-2.38 For Schools
(Let's Look at Wales). 4.405.00 Tren Serech. 5.55-6.20
Wales Today. 6.50-7.20 Heddiw. 11.50 News and Weather for

News and Weather for Northern

for Scotland.

BBC 2 6.40-7.55 am Open University.

1.20 pm ATV Newsdask. 5.15 Give
Us a Clus. 6.00 ATV Today 11.15 For
Better, For Worse. 11.45 Barnaby
2.15 pm Let's Go.

7.35 Mid-evening News. 7.45 Horseback. 8.10 Lennie and Jerry. 9.00 Fawlty Towers.

11.40 Telé-journal. 12.05 am Closedown-reading.

LONDON

9.25 am First Thing. 1.20 pm Grampian News Headlines. 5.15 University Challenge. 6.00 Grampian Today. 5.05 (Challenge. 6.00 Grampian Today

KADIO I
(S) Stareophonic broadcast

‡ Medium Wrave

5.00 am As Radio 2. 6.00 Dave Lee
Travis. 9.00 Simon Bates. 11.31 Paul
Burnett. 2.00 pm Tony Blackburn. 4.31
Kid Jensen. 7.00 Stayin' Alive. 8.00
Andy Peebles. 9.50 Newsbeat. 10.00
John Peel (S). 12.00-5.00 sm: As
Radio 2.

RADIO 2
5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 Sports Deak. 4.47 John Dunn (S). 6.45 Sports Deak. 7.02 Music from the Movies (S). 7.30 Alam Dell: 7.30 The Dance Band Days. 8.02 The Big Band Sound (S). 9.02 Humphray Lyttleton with The Best of Jazz on records (S). 9.55 Sports Desk. 70.02 The Monday Movis Quiz. 10.30 Star Sound. 11.02 Herry Rowell with Round Midnight including 12.00 News. 2.02-5.00 am You end the Night and the Music with Len Jackson (S).

RADIO 3

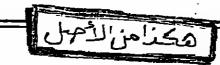
\$1.55 am Weather. 7.00 News. 7.05
Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05
This Week's Composer: Vaughan Williams (S). 9.45 Talking About Music (S). 10.15 Two-Piano Music recitst.
part 1 (S). 11.05 Interval Reading.

11.10 Recital, part 2. 11.50 BBC Scottish Sympnony Orchestra (S) 1.00 pm News. 1.05 BBC Lunchtime Concert (S). 2.10 Music for Organ (S). 3.05 Matinee Musicale (S). 4.05 New Records of music by Vivaldi (S). 4.55 Bandstand (S). 5.25 Homeward Bound (S). \$5.45 News. \$5.50 Homeward Bound. \$6.15 At Home: Singular Duos by Mozart, Brahms, Bartok. 7.10 Maggie Teyte song recital. 7.30 Vienna Philharmonic Orchestro (S). 9.30 Mind, Matter and Mechanism. 10.15 Baroque Music for Bass Voice (S). 10.45 Lies and Dreams (reading). 11.10 Hsydn's Barryton Trios (S). 11.25 Jazz in Britain: Herry Backett Quintet (S). 11.55-12.00 Naws. VHF Orly-6.00-7.00 am and 5.45-7.10 pm Open University.

6.00 am News Briefing, 6.10 Farming Week, 6.25 Shipping lorecast, 6.30 Today—magazine, including 6.45 Prayer for the Dey, 7.00, 8.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the Day, 8.35 The Week on 4, 8.45 John Ebdon with the BBC Sound Archives, 9.00 News, 9.05 Start the Week with Richard Baker, 10.00 News, 10.05 Wildlife, 10.30 Daily Service, 10.45 Morning Story, 11.00 A Long, Lonely River, 11.45 Listen with Mother, 12.00 News, 12.02 pm you and Yours, 12.27 Brain of Britain 1979 (S), 12.55 Weather; programme news, 1.00 The World at One, 1.40 The Archers, 1.55 Shipping forecast, 2.00 News, 2.02 Women's Hour, 3.00 News, 3.05 After-

BBC Radio London

Capital Radio 8.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Adman Love's Open Line (S). 9.00 Nicky Horne's Your Mouther Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Night Flight (S).





Wembley Centre

Johnny Cash by ANTONY THORNCROFT

Johnny Cash was at the The start was encouraging, encouraged to sing, which is Wembley Conference Centre There can be few singers who worse. The rest of the family this weekend and very good he look as impressive as Johnny soon emerges and although June was too. Unfortunately his wife, son, assorted sisters-in-law (both sides) and probably the man who came to fix the boiler were also on stage and that was not nearly so good. It is fine that Cash should have success-fully kicked drugs and found love and happiness, but it does seem to have subdued his per-formance From heing the bitter turning into the compère of "For the Carter Cash Family —Opportunity Knocks!"

By marrying June Carter he took on the entire Carter Family, that extraordinary clan who for over 50 years have been

into an important statement. But Folsom Prison Blues is not seem to have subdued his per-formance. From being the bitter a banal song and with a backing screen, depicting the ewfulness and effective musical propa- of prison, adding eye pictures gandist of the oppressed he is to his word pictures, things looked set for an impressive concert, musically assured and mentally stimulating.

most of them with years of back-

look as impressive as Johnny soon emerges and although June Cash, tall, broad and with a Carter offers an attractive condunting presence; helped by trast, singing country music black high-heeled boots, in fact with an English-Appalachian black most things. His voice, feel, they quickly become intrumelodic rock gravel, makes sive. It might be in the Grand platitudes sound sincers and Ole Opry tradition but it is not converts the most banal song in the Johnny Cash tradition. For Cash is the great

machismo hero, the poor white who made it and did not forget the poor whites who did not. And not only whites Indians. hobos, and especially prisoners have all had his powerful sup-port. He identified and could not patronise and leant them And so it was when Cash his voice. Perhaps it created too could be bothered. His band, romantic an image of the man, most of them with years of back- especially when he went ground service, was unobtru- through his own crisis in the

University Theatre, Manchester

Schweyk in the Second World War

The Contact Theatre Com- duction has an adept Schweyk in been banished for failing to pany, resident at this lovely the plump and inventive shape bring Baloun's meat? little venue, is now under the of John Branwell, the bar does direction of Richard Williams, not dominate the stage as it an associate of Richard Eyre should, nor does very much during the recent now vanished energy rise from the inmates. golden days at the Nottingham You would never know, for in-Playhouse. This play always stance, as Schweyk trudges in works, although I have yet to see it in English performed with kilometres from Stalingrad on in the bar, here known by the effective moment, such as the unlikely name of "The Chalice" ("The Flagon" of the standard in Russia, or the silhouetted

fast wits and ready turn of drunken chaplain is the platoon phrase, puts that down to a leader's brother, or that Schweyk faulty bomb. Mass-production commits an act of positive couris to blame; Schweyk the dog age by saving the two old ladies merchant, although a classic he meets). incarnation of the human spirit his fellow workers as he is of and Mr. Branwell has great fun the puppet politicians. He is a in the goods yard with his les-survivor, drifting into trouble son in mnemonic technique for survivor, drifting into trouble SS platoon leader by stealing a sive version of the "Horst beloved Cordelia Director Bob dog for his wife. Schweyk's Wessel" has a good production Tomson would do well to cut friend in the bar, Baloun, is likely to sign up for the Nazis because they feed the soldiers, and Baloun's stomach is bigger

Although Mr. Williams's pro-

hillowing forth of a white sheet

translation is surely better). company rendition of the The attempt on Hitler's life "Miserere" (less important has failed, and Schweyk, the than establishing — as Mr. accidental hero on account of his Williams does not—that the

Schweyk on the witty offenin adversity, is as unsparing of sive is always a cheerful sight, splendidly played, while attempting to placate an the confused soldier. The subvertouch, the crippled soldiers the frills of gratitude and help wheeling round on a pair of out one or two of the actors radial crutches. But surely the with the verse. Solid rhythms widow landlady's admirer would go hopping all over the shop.
not return to the bar to play Thank you, Bob. for the dance as soon as he has

Earlier in the day last Thursday, I caught the company's working guide" to King Lear, se. This play always stance, as Schweyk trudges in children with the mighty play although I have yet to search of his lost platoon 100 English performed with kilometres from Stalingrad on Eisler's marvellous the Russian steppes, that the That of Steve McNeff bar with its roseaste conclusions. music. That of Steve McNeff bar, with its roseate conclusions, all the time for playing a scene is a poor rident thrumming for imagination. The staging is a the somewhat strained attempt the Hitler/Göring/Goebels in- little cumbersome throughout, of the linking narrative to state terludes and Eurovision Song with furniture humped on and the obvious—that you can play Contest tonalities for the songs off, fluency sacrificed for the odd complex scenes in different ways—the show was not with-out its value. Beckett's Endgame and Bond's Lear were invoked not very convincingly as evidence of Shakespeare's Influence on modern drama (in the case of the first, as if to prove there is often more vice than versa in these matters, it was Beckett's nihilism that influenced an academic, Jan Kott. and subsequently a director. Peter Brook, in their interpretations).

There were nice snippets, Shakespeare's source play, King Leir, and from Nahum Tate's 1681 version, with a periwigged Edgar rescuing his virgin

MICHAEL COVENEY

C INDEN FESTIVAL

Mitridate

by MAX LOPPERT

tions and da capos, snicks in florid writing, and, least for-

givably, truncations of the accompanied recitative which is

so notable a feature of the

second and third acts. (It would have been wiser to cut down on the contributions of

the subordinate characters, par-ticularly Martius' dull aria,

dully sung by Anthony Roden.)
The cuts in the florid sections

and in accompanied recitative were all the more unwelcome

for the presence of a young cast

uncommonly able for the most

part to handle such things pro-ficiently and meaningfully. Xiphares was written for the

male soprano Sartorino; the only conceivable criticism to be

made of Felicity Lott in the

part, exquisite in phrase, manner, and tone alike, is that she

lacked the requisite touch of metal. (There was much more of that, at times to the point of

discomfort, in Felicity Palmer's

stylish singing of Ismene, the seconda donna). Marie Slorach,

a soprano crisp in projection

and keen in attack, made much of Aspasia' "Pallid 'ombre," a

grave cavatina emerging from, then sinking back into, recita-

scheming brother, Susan Kessler

was sympathetic, perhaps a little too much so—it is a second part for a eastrato calling for

tone of a more steely cut.

Strongest impression of all was left by Philip Langridge, who threw himself into the flendishly

difficult music of the title role

with heroic fearlessness-if the

sound of the top notes was not exactly pleasant, the notes them-

selves had real, not speculative.

definition. Logan Hall, which

accommodates several festival events this year, is pleasant to be in. but awkward of access and

egress, and the air conditioning

morning string quartet recitals at the Everyman Cinema was

given by the Medici Quartet.

Centrepiece of a programme of Haydn and Dvorak was the first performance of Elisabeth Lutyens Doubles, a ten-minute

span into which. Webern-like

several years of music seem to have been concentrated. The

title is pronounced a la français,

the composer tells us, and the

form is related to the Bach partite. So much, on a first hearing, was still unclear. What

was immediately evident was the composer's mastery of

musical gesture, always stripped down to bare essentials in the

possesses a voice of its own. The first of the two Sunday

Phamaces, Xiphares'

The first of this year's Camden operas was Mozart's Mitridate τė di Ponto, in Saturday's concert performance sponsored jointly by the Festival and the BBC and also broadcast on Radio 3. For a change it was not an absolute novelty for Camden —in modern times the work has been staged in Germany and Austria, and a DG recording is currently available. But the performance was a rarity all the same, and on the whole it was so well done that the standards and requirements of festival fore were truly met. Mitridate, Mozart's first opera

seria, was written for Milan, and first given there, with great success, in 1770. Mozart was then 14. According to Dent, he "was not yet temperamentally equal to the treatment of such a subject" as the amorous and political intrigues at the court of the Macedonian king Mithridates, as laid out in Cigna-Santi's libretto (modelled on the Racine tragedy). The appearance of the recording last year helped to cast doubt on Dent's judgment; this concert performance will have helped to further that process. Undeniably, many of the arias can be admired only relatively-more for their prodigal fluency and technical assurance than for their appropriateness to or furtherance of the drams. But the quantity of music in

which the voice of the "real' Mozart is heard seems to grow larger. It includes not only the immediately remarkable arias and accompanied recitatives in Acts 2 and 3 for the lovers Kiphares (Mithridates' loyal son) and Aspasia (the king's betrothed)—music of poignant, limpid, and passionate emotional expression, made substantial in the blend of voice and instruments, in the moveriarising country music. Since the death of mother-in-law Maybelle Carter last year Cash has shouldered the burden of leadership. It means an unusual, domestic, relaxed, but hardly rivetting show. Cash has been Osmondised.

1960s, but that image is stronger than the current reality. It was archive of two decades of diluted Cash at Wembley, country music and hearing "I diluted in time, diluted i from very low to very high that characterise the king's vocal line—an early example of Mozart's gift of transforming constraint (wide leaps were the speciality of the tenor Guglielmo d'Ettore, first occupant of the title role) into

> I must not press the claims of the opera too hard; but in this BBC Concert Orchestra account, buoyantly conducted by György Fischer, with an expert sense of the expected removal of three pizzicatos, and knuckle-raps or arlas in toto and much recitativo wood; an alternation of chord secco (a bearable loss, this), and silence. The result wins but amputations of middle sec- hungrily compulsive attention.

dramatic virtue.

Arts Council shop moves to Long Acre

two and a half times as much days a week from 10 a.m. to

7.45 p.m.
The shop will have the most comprehensive range of art exhibition catalogues in the country, including the Arts Council's own exhibitions past and present, and those from London and regional museums and galleries. catalogue exchange arrange-ments have been established with the Georges Pompidou Centre in Paris, and through the shop's mail order system catalogues can be obtained from all over the world.

There will also be an exten-

When the Arts Council Shop sive range of posters, prints and opens at 8 Long Acre, WC2 on postcards, slides and museum Monday, April 9 it will offer replicas, as well as some framed prints of works by British space and considerably artists, a considerable range of improved facilities for art books, and artists book-customers. It will be open six works.

Bodies' at the Ambassadors

BODIES, by James Saunders, opens at the Ambassadors Theatre on April 23 with previews from April 11.

The cast is Dinsdale Landen, Gwen Watford, David Burke and Angela Down. The director is Robin Lefevre.

Last year the play played to capacity audiences during its two-month run at Hampstead **Covent Garden**

La Fin du Jour by CLEMENT CRISP :

his ballets. It was more especially a MacMillan celebration on Penney each attended by five Thursday, with the first performmen. MacMillan's choreographic ance of his new La Fin du Jour device here is a ravishing canon in a triple bill, and the present in which the two voices slowly in a triple bill, and the present-ation by Princess Margaret of the Evening Standard Ballet Award to the choreographer at women are lifted and at one year, and the hero of the evening, characteristically modest, deflecting our gratitude to the dancers who make his ballets possible,

La Fin du Jour is set to the Ravel G minor piano concerto, a work made in 1931, which the composer at first considered calling Directissement. This alternative title, and the date of the score, are keys to what MacMillan has brought magnificently off in a poetic, allusive choreography. He offers us a series of photographs of the 1930s that might have come from the pages of The Sketch or The Illustrated London News - figures caught in the amber of time, sportsmen and women, cinema idols, matinee stars, intrepid aviatrixes, seen in that innocent, bright light before the night of the Second World War

It is not a literal portrait. The work's poetry comes from the skilled juxtaposition of elements of play that we, from the other side of the abyss of the war, know was doomed, as was the society that nurtured it. Ian Spurling, the designer, has pro-vided yet another extraordinary series of costumes that refine, exaggerate and somehow pinpoint all the social attitudes of the decade; light, clear colours; extreme silhouettes, a mad-cap elegance that is somehow pathetic in retrospect. In the first movement of the

concerto we see a corps de ballet of marionette figures, who frame a double pas de deux for Merie Park and Julian Hosking. Jennifer Penney and Wayne Eagling. The two women are at first bathers; the men golfers, and Macmillan has created for them choreography of the greatest ingenuity, with a frozen chic as they suddenly pause in almost hieratic poses.

Here, as throughout the work, Macmillan's invention is prodigal: from the demotic of games, from the photographic images of periodicals of the time, he has wrought a language of remarkable beauty. Merle Park swings lower and lower in an arc from Hosking's arms; Eagling, in a stunning solo, leaps and falls; everywhere. there is a response to Ravel's orchestral textures, so that Park and Penney seem to be bathing in the shimmering sonorities of

The slow movement with its

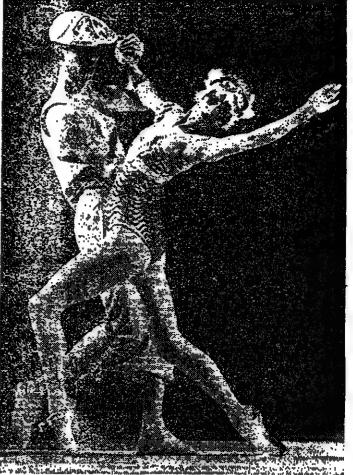
the entire repertory made up of melody") becomes a longbreathed adagso for Park and the end of the evening. A happy moment seem carried over the occasion: showers of daffodils stage in chairs made from their to thank MacMillian for Mayer-cavaliers. But the continuity cavaliers. But the continuity ling and his other ballets last suddenly breaks as the women again freeze in poses, and the final section finds them alone, eddying over the stage, linked in a pas de bourrée which has as emotive an effect as the great stream of bourrées for the Woman that comes near the end of the last song in Lied von

der Erdc. For the last movement, the and Penney are now Jean Harlow and Jessie Matthews and Ginger Rogers and those other darlings of the time; the men. in pastel tail suits, soar and roar across the stage, the choregraphy impelling them in grand spans of movement. And at the last, dusk falls on the and Merle Park pulls a door

It was Kenneth MacMillan serene cantilena (that Constant shut to close out the night. The week at the Opera House, with Lambert called "a synthetic party is over.

I think La Fin du Jour a ballet far richer than it first seems, richer even than the prodigious outpouring of choreography which so stimulates the eye, and so stimulates the dancers. The piece is magnificently performed by Merle Park and Jennifer Penney. Julian Hosking and Wayn Eagling (whose thrilling physical abilities and "cool" temperament are superbly frivolous, quirky at moments. It certainly does not presume to impose any political attitudinising upon the refinement of the Ravel score. It makes its points by hints. quick suggestions, but it does so with consummate sensitivity, It is a requiem for the douceur cast are in evening dress. Park de viere of an era, and it is nostalgically grateful for the

'30s wayward charm. The rest of the programme -Dirersions and Elite Suncopa tions-fell victim to industrial troubles at Covent Garden: no set changes; minimal lighting. Diversions suffered, and I will report on it when it can be garden which we see through seen properly. Elite was given an opening in Ian Spurling's insouciant gaiety by a wonder-creamy setting (which is in fact ful cast, who took the opporaseries of watchful profiles), tunity for some splendid improvisation.



Wayne Eagling and Jennifer Penney in 'La Fin du Jour'

Orange Tree, Richmond

Doctor Knock by B. A. YOUNG

"Do you tell me you feel threshold leaves without a three sets one of which contains well, Sir? It's only because serious deterioration in his a veteran car), its cast of 15 you don't know you're ill." This health—and everyone will come can be easily, as effectively, exchange, reported by Dr. back later, when the consultative by eight or nine players. Knock's rich patient Madame Pons, sums up the doctor's require visits at home. Within under Sam Walters do the play approach to his patients. Dr. three months the local hotel has delightfully on their pocket Parpalaid, whose practice he has Parpalaid, whose practice he has become a flourishing clinic and stage. The car is dismantled at bought, never treated anyone there is hardly a soul in the the end of Act 1 to reveal the and expected his patients to community not undergoing consulting room furniture in-pay him only once a year. treatment, "At 10 o'clock," side. Knock's dupes and his knock, learning all this as he knock proudly tells Parpalaid allies the chemist and the sits by Parpalaid's broken-down car, decides to change things. "The medical age can

now begin," he says. He begins by hiring the town crier to announce that there will be free consultations for two hours every Monday morn in the repertory theatres as hypochondria, placidly displaces ing. Before he has even left Equus or The Norman Con-Peter Holmes' rural Parpalaid the consulting room, the town quests. It is funny, it is wise, with his "25 years of self-crier realises how ill he is. It is short, it needs no ambitious effacement in the service of his

health—and everyone will come can be easily, as effectively, back later, when the consultations must be paid for, or even The Orange Tree company when they meet again, when they meet again, "200 schoolmaster are different incar-clinical thermometers will be nations of half a dozen players. If the centre of things, Geoffrey placed under 250 silent Beevers as Dr. Knock, peering tongues."

Beevers as Dr. Knock, peering sternly over his half-moon I don't know why Doctor

Indeed, no one who crosses the scenery (though it calls for patients."

schoolmaster are different incarspectacles as he condemns the Knock isn't as steady an item whole district to a lifetime of in the reperiory theatres as hypochondria, placidly displaces

RUGBY BY PETER ROBINS

Crowning tribute to J.P.R. Williams Forest half way to another double

triumvirate, Bennett, Edwards the full for Wales and the Lions. It needs to be accurate, other-and Gerald Davies, was, after How reassuring it must be to wise the scrum half has a dreadall, yet another piece of Welsh cunning. It was pure fancy, but provided the necessary and con- crisis. venient escape route which, as events turned out, was never

Those who forecast the demise of the Welsh team-myself incleded-were proved totally wrong by Wales' devastating 27-3 victory over England at

Yet again England were WOISE.

points to break the individual did Wales progress from record number of points in a embarrassed stuttering to easy, season, could only manage the flowing rhetoric. England had final conversion.

So for a fourth consecutive poignancy.

rugby was of a special kind, epitomising physical courage, skill in all the arts of full-back play, and the ability to inspire

Griffiths came on and fitted was criticised by many Welsh

The game was never really a fair contest. The teams were on humiliated because even with two different levels of ability. the four-point try. 27 points is a It was also rather unsatisfactory big score, and it could have been because so many mistakes were made by both sides and only Fenwick, needing three in the last quarter of the game

> no power of speech at all. England were unrecognisable

year Wales win the Triple as the vibrant force they were Crown, and that in itself is a against France; but Wales' fortriumph was perhaps the easiest trolled. In the slippery conditand it gave J. P. R. Williams' tions it was perfectly to last game for Wales. last game for Wales a certain the issue and distribution of the ball, especially at the line-out. His contribution to Welsh Here was the origin of England's downfall. Whereas Wales varied the formation of their line-out imaginatively, and Quinnell and Squire drove forward to break am sad to say, apart from his land than Fenwick's were for

play in front of him and know ful time, as Kingston did. Horthat he is there to deal with any ton presented Roberts with a crisis.

That sort of man gives the on England's line. Beaumont whole team confidence. He left also had too many deflections the field in the second half, but intercepted. Roberts' selection He created the final try for front of the line-out, and seams of talent in Wales are not yet worked out the back.

When Wales did expand their Squire, Holmes let Davies have pressure. the ball so regularly that the fly-half directed the game with B256.

Davies' precise and long touch-kicking crippled England, as did Bennett's and Hignell's lack of length. There was such an obvious

gulf between the half-backs. The Welsh pair were brilliantly supby Ringer, whose ported advance this season has been notable.

Richards in the centre was faster in thought and movement such chances were not to repeat than any England three-quarter, themselves, and Bennett's lanses and fed off Fenwick's experi- in penalty goal-kicking proved to ence and steadiness. Dodge, I be far more reaching for Engthose around him. It is almost the game line, Horton, Eng- tackling, contributes nothing in Wales.

THE PESSIMISM that seeped unfair that one man should land's principal line-out forward, attack and kicks the ball away out of Wales on the news of the possess such huge talents, but rarely caught the ball cleanly, when under the slightest prespectivement of that great they have always been used to Tapping is still the vogue but sure. He also held on with an overlap outside, as did Cardus crucially.
Cardus has pace and time to

develop, but the search continues for centres who can pass the ball quickly and accurately, as well as having the skill to outwit an opponent. It must not be forgotten that

the three-quarters' success binges almost exclusively on the outcome of the forward struggle, and England lost that struggle in every phase. Not so badly that Bennett had no chance at all, but badly enough game, thanks to the marvellous to ensure that all England's work of Price, Quinnell and movements were executed under to ensure that all England's

Wales never had to suffer such pressure, except for a while at the start of the second half. First Hignell knocked on, taking the return pass from Slemen, Bennett missed with a drop goal and a penalty, Cardus kicked the ball away needlessly, Bennett hesitated with good possession, and finally Hignell was swamped by Quinnell and Fenwick.

The score at that stage was still only 7-3 to Wales; but

SOCCER BY TREVOR BAILEY

the League Cup for the second successive year by beating Southampton, whose limitations Lawrie McMenemy had camouflaged so well until Saturday, in an entertaining, yet mistakelittered final,

The pitch was heavy and slippery, and seldom can quite so many passes have gone astray. It was surprising not that Forest should have won, but that having obtained only 31 goals in 30 League matches, and possessing a splendidly organised defence, they should have scored three, conceded two, and had two disallowed.

Southampton began well and took the lead with a delightfully engineered goal. Then, in the last 10 minutes of the first half, they began to lose the initiative in midfield.

Consolation goal

After the interval it was all Forest. They completely outclassed their opponents, and produced a calibre of football which could well bring them the European Cup later this year.

Southampton did obtain a come was never in serious doubt ground facilities, and there face of the goal?

secured the equaliser. The con-siderable difference in ability matches, if their rise to success between the two teams was there for all to see. It should be remembered

that Nottingham Forest are an outstanding side who won the championship last season while Southampton are fighting their way out of the Second Division with an interesting mixture of experience and youth. They are really no more than an average lower half of the table First been playing above themselves.

There is, however, one two clubs. Both are controlled by fine managers with great records—Brian Clough and Lawrie McMenemy.

This pair came from the North East, where the passion for football is much greater than in Nottingham or Southampton. They must be frustrated that local support in both areas is not as strong as it to an end should be.

Forest from an undistinguished and had a nightmare of a Second Division club into one second half, which included of the most accomplished teams allowing a gentle shot along the

NOTTINGHAM FOREST won from the moment Birtles would be capacity crowds every had happened on Tyneside instead of in the Midlands.

> Lawrie McMenemy, with even smaller financial resources than Brian Clough, took Southampton to their first FA Cup triumph in 1975-76. He then rebuilt his team cheaply and efficiently, led them back to the First Division after a brief spell in the Second Division, and believes that the council should Division team who lately have provide them with a stadium worthy of their status.

> He is now confronted by what marked similarity between the surely must be one of the biggest challenges of his career - to convince his players that they can beat Arsenal in the FA Cup quarter-final on Monday.

Fortunately, they ground advantage. Arsenal, however, should fancy their chances of obtaining at least a draw since one senses that the Saints' run of success has come

Will Lawrie be able to restore Brian, with the invaluable assistance of Peter Taylor, has transformed . Nottingham young keeper, Gennoe, panicked

It will be very difficult, as his men gave everything on Saturday, and it was not enough.

To be perfectly honest, Southampton are not really sufficiently accomplished to justify having the opportunity of two appearances at Wembley in one year.

In sharp contrast, Clough's team go to Zurich on Wednesday in the European Cup with a comfortable lead, and the reassuring knowledge that they are already assured of a place in Europe next winter.

Remarkable team

Against Southampton, they were without their finest two defenders, Burns and Anderson. In the later stages, they played with the same skill and sparkle which made them so exciting last year.

Birtles, a remarkable discovery, led the forward line with dashing style. Woodcock is also back among the goals again, so it is hard to see Trevor Francis. the first £1m player, claiming a regular place in this remarkable team at present.

Last year. Forest achieved the double of the League championship and the League cup. This spectacular consolation goal in in Europe. They have also ground to go through his arms the closing stages, but the out-dramatically improved the and legs, and roll across the another—the European and the League Cup.

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Monday March 19 1979

Time to agree on the sea

but Jeast-known international in Geneva today almost five ganese, are thought to equal years since it first officially those on land. Many of the started. Delegates from nearly their places for what is formally known as the Eighth Session of the third United Nations Law of the Sea conference in the hope that the end may be finally near. Like many international negotiations, the detailed subject matter is complex and highly technical. But the outcome could be one of the world's most comprehensive international treaties, with major implications for future relations between rich and poor

·Minerals

Most immediately at stake are rules governing virtually every aspect of the use of oceans and sea lanes—ranging from the right of innocent passage by submarines through territorial waters, to the exploitation of required technology from put-sea-bed mineral resources. But ting it to use. the developing countries have also made it clear that they could be used as a precedent in future negotiations about the esources wherever they might be discovered.

... Their hope is to reach agreement, if only implicitly, on the general principle that the industrialised countries must, at the very least share the fruits of their financial and technological advantages with the less privileged. At the most, they would like to secure control, through their United Nations majority, over the exploitation

Once again, the conference is starting a new session amid widespread predictions that it must be the last. About 90 per cent of the issues at stake have been more or less settled, and negotiators have reached the point at which they have little new left to say—the main negotiating points have been repeated ad nauseam over the last few years. It is a costly process particularly for developing countries and many Governments would like to get it over. The

the mineral-rich nodules that lie on or just below the ocean compromise their affiliates are anxious to striving.

ONE OF the world's longest, make a start given that the seabed resources of minerals like negotiating marathons resumes nickel, cobalt, copper and manland-based minerals are in 150 countries will be taking countries that do not make life easy for multi-national corpora-

tions.
Developing countries are understandably concerned that the exploitation of major new reserves will hold down the price of minerals on which they rely for export earnings. They are also anxious that industrialised countries should not he allowed to scoop the pool of resources that the UN has denominated "the common herit-age of mankind." These are fustifiable anxieties which most industrialised countries appear appreciate. In return, it must he hoped that the developing countries do not try to use their numeral superiority to impose an exploitation regime that is so one-sided as to deter the only companies with the

The same goes for the second major outstanding issue, the would like to see the establish definition of Continental shelves ment of new maritime laws that on which there is no clear rich poor line-up. Those countries seeking the maximum Continendistribution of the world's tal shelf limits the ones, of course, that have the biggest shelves — include developing nations like India, Sri Lanka UK. Canada, Australia, Norway and Ireland. Here again a new treaty will only make sense if it is acceptable to those with legitimate claims.

North-South

That is another reason for regarding the Law of the Sea Conference as setting potentially important precedents. The world is foo diversed for decisions on such important issues to be taken by a simple majority of United Nations members— nor would they be emforceable if they were. But that does not mean that the rich nations can disregard the interests of the poorer majority. If the latest session falls, it will give the developing countries one more grievance to store up for the future at a time when, with the forthcoming UNCTAD V meeting in Manila, the north-Only the most advanced in- south dialogue is once again dustrialised countries—and pre-dominantly the U.S.—possess would be in everyone's interest the technology required to mine if the Law of the Sea Conference can at conclusion for floor. American companies and which it has for so long been

Redeployment in steel

THE STEEL CORPORATION'S study from Aston University decision to phase out iron and which emphasised the social steel making at Bilston in costs of closure and proposed Staffordshire and Corby in an alternative programme for Northamptonshire marks the retaining steel making by beginning of what could be modernising the local furnaces. described as a second and more radical round of steel works the large new plants the Corclosures. The first round was poration has been building elsecompleted last year and consisted of the plants whose life order to support employment at had been extended by the obsolete works. To delay Beswick review instituted by inevitable rationalisation will the Government shortly after it mercly make the eventual came into office in 1974. By last problems worse. March, when the Corporation's losses had risen to an annual rate of over £400m, the Government was forced to recognise that the decision to delay these closures had been a costly mis-

Neither Bliston nor Corby year ending this month—but also because the Corporation will be commissioning substantial and low-cost iron and in Scotland and Redcar on Teesside at a time when the demand competitive. for steel still remains very

Pragmatic

facilities—billets at Bilston and tubes at Corby-and to supply subsidy. them with the considerably The Corporation has so far cheaper steel it will have avail- had considerable success in able at Ravenscraig and Tees- overcoming local opposition to side. This is part of its longer plant closures by its policy of term aim of concentrating bulk offering to negotiate generous steel making at these two severance terms and as a result centres and at Scunthorpe, of the effort it has been putting Sheffield, and in South Wales. into its self-imposed task of This implies that the steel attracting new and more secure making facilities at Shotton and non-steel employment in the Consett are also at risk. But the areas affected. Since last year's Corporation is wisely pursuing White Paper on the future of a pragmatic policy on closures steel, the Government has and has so far said nothing adopted a posture of no visible

At both places the Corporalocal authorities commissioned a ahead.

But it makes no sense to run where at a lower capacity in

Manning

The end of steel making at Bilston and Corhy, together with the phasing out of steel making at Shotton and Consett will go only part of the way sary not merely because the Corporation is still incurring very heavy losses—serimental and the corporation is still incurring of its current rate very heavy losses—estimated to Further closures and further be about £300m to £350m in the get its manning levels down to internationally composition needed elsewhere if BSC is to internationally competitive levels. If BSC is to retain its steel making capacity in the merket share, let alone increase next 12 months at Ravenscraig it, it has to produce steel at a price and a quality that is

So long as the Corporation is running at heavy loss, there will always be a risk of its exports being restricted in markets, such as the U.S., where The Corporation intends to re- the Government's financial suptain its existing steel finishing port for BSC is seen by some competitors as constituting a

about its plans apart from involvement in the closure pro-Bilston and Corby. dent from its rejection of the tion's proposals have aroused call at Bilston for a public local opposition. At both, the inquiry. Turning the steel Corporation is a major employer industry round will be no easy local unemployment is task, but there can be no choice already high. At Bilston, the other than to continue to press

Foreign banks break through in America

BY STEWART FLEMING IN NEW YORK

designed to prevent even a New York bank opening an office in neighbouring New Jersey, and most states still do not allow foreign banks to upen for business. So the Federal Reserve Board's decision last Friday to approve proposals which will permit three of the world's leading international banks to spend over \$1bn taking control of three of the top 50 event of broad national competition. significance

Its decision is expected to result in the Hongkong Bank taking control of Marine Midland, National Westminster buying control of National Bank of North America (NBNA), and Standard Chartered Group buying Union Bank of Los Angeles. The decision is a landmark for world banking. A decade ago, it would have been difficult to imagine two banks as

big as Hongkong and Shang-hai Banking Corporation hai Banking Corporation (HSBC) and Marine Midland (Marine) deciding that the cultural gulf between Hongkong and Buffalo, New York, could be bridged by common financial interests. Even today the partnership

could prove difficult. But changes which have brought the world's financial markets closer together-the pervasive influence of the dollar as a trading currency and improved communications amongst them-are fostering such links.

The Fed has approved each of the three proposals in spite of regulatory problems (raised most acutely in the Hongkong case) and in spite of the size of the U.S. banks being acquired. Each bank has assets of over Sibn. Except Marine's case, the decision thus represents a clear departure from a tradition of the past. Usually the Fed has blessed such hig foreign bank acquisitions only if the U.S. bank hadly needed support and new capital.

Neither in Congress nor in the country at large is there unanimity on the role foreign banks should play in the U.S. economy, as seen by the controversy preceding the Fed's decision. The Federal Reserve is taking the lead in trying to establish, first through legislation and now through a key policy statement and case w, a clear philosophy of its own for

Its guiding principle, and that of the International Banking Act which President Carter signed last September has been national treatment." means that foreign banks should neither have privileges nor suffer disabilities that the U.S. banks do not have. How clearly its bank holding status. In banks are: Hongkong and it can be translated into regularity CIT's application the Shanghai £76.5m; Marine Midlatory practice will vary from Federal Reserve Board cited the land £12m, Standard Chartered

wards eliminating what many U.S. bankers and legislators felt to be the unfair advantage which foreign banks in the U.S. had over U.S. banks in a number of areas, including the free dom to branch across state

"National treatment" means that foreign banks should be permitted to acquire U.S. banks as long as they fuifil the same

with banking laws banks wanting to make domestic \$15n. takeovers. While this seems at one-level to be a fine and simple principle, some senior bankers gress to begin its own examinaand at least one bank regulator tion of U.S. policy on foreign

implications. enough to do so would in practice be permitted to take over Marine Midland or probably even NBNA. because it would U.S. banks must be seen as an probably violate laws governing

> Superintendent, Miss Muriel Sie-bert, has argued that central trying to take over U.S. banks banks in most other countries which do , not want to be would not permit U.S. banks to acquired. take over similar-sized institutions in their countries. In this Fed through its decisions has sense and in others, she would argue there is a lack of recipro- ting foreign bank expansion. As city. She has also expressed con-one reads its policy statement cern about the control of U.S. on acquisitions and the state-

> concerned about the restrictive day, some of its reasoning of the Canadian becomes clear. authorities to foreign banking. That could yet play a role, howestablished economic forces. As ever indirectly, in the fate of a one official in Washington put deal by which the Bank of Mou-

It is issues such as these which last month induced the Conare already quarrelling with its bank takeovers. There can be little doubt that given the divi-They point out, for example, sions that already exist, if the that no New York bank big Fed's move on Friday were to open the door to a wave of foreign bank takeovers in the U.S., the mood in the country could become hostile.

The Federal Reserve chairman. Mr. G. William Miller, The New York State Banking hinted as much when he warned

In the meantime, however, the reinforced its policy of permit-Miss Siebert is known to be three decisions issued on Fri-

> In part it is bending to well-"If we want the world to

MERICA is a country sort of requirements as U.S. with aggregate assets of about banks with substantial assets in dollars naturally are anxious to have access to U.S. domestic money markets for dollar funds. They are also anxious to service their customers in the U.S.

Since about 1972 the rate of growth of foreign direct invest-ment in the U.S. has almost doubled, with major foreign companies each month establishing new plants or individuals buying property. The foreign banking invasion, which has seen foreign bank assets increase from \$200n in 1972 to over \$90bn at the end of last year, is part of this trend, as well as partly a response to it.

On its side, the Fed clearly sees advantages to the U.S. banks which are being acquired. It points out, for example, that Marine Midland will get \$200m of sorely-needed new capital as a result of the link with HSBC. National Bank of North America and Union Bank are each to get an injection of \$25m of new capital. National Westminster appears to be commit-NBNA's branch network, including the installation of auto-mated teller equipment.

Chartered Standard

THE SIZE AND PRECEDENTS OF THE DEALS

THE BRITISH BANKS-BEFORE AND AFTER Hankong and Shanghai Banking
- Marine Midland 14.81 2.67 17.7 4 Union Bancoro bonal Westminster + National Bank of North America

MAJOR FOREIGN ACQUISITIONS OF U.S. BANKS

> Approx Bardays-First National Bank of Westchester Lloyds-First Western Bank and Trust European American-Franklin National Bank of Tokyo-Southern California First

> > PENDING DEALS

Hongkong and Shanghai Banking-Marine Midland Standard Chartered-Union Bancorp Algemeno Bank Nederland-La Salle Bank of Credit and Commerce Intenational Financial General Bankshares

competition and expand the U.S. banks' ability to compete inter-nationally and service their customers abroad to the benefit of U.S. exports.

- The Fed has also made it treal intends to acquire 84 of continue holding dollars, we Standard Chartered is - The Fed has also made it Bankers Trust's 104 retail have to provide access to our expected by the Fed to develop clear that the U.S. subsidiaries branches in New York State, banking system." International Union Bank's limited retail are not to be regarded simply as

not done anything spectacular

with Franklin National which it

bought as an ailing concern.

past, However, Hongkong and

Shanghai has said that it does

not intend to interfere with

either the day-to-day running of

Marine Midland or its manage-

ment-it is only injecting new

branch network and expand its vehicles giving access to the home loan lending. In each central bank's lender of last case, the acquisitions, the Fed resort facility. It is expanding its supervision of transfers of funds between the U.S. sub-sidiary of a foreign bank and the parent company abroad. It has thus begun to address in more detail the serious regula-tory issues which such international banking mergers raise.

Source: The Banker, June 1978.

But the Fed has carefully avoided trying to extend U.S. regulatory principles outside the country. Thus the Hongkong and Shangbai Bank hus not been required to disclose publicly anything beyond the paltry information on its operations which it gives now. This leaves vis its U.S. competitors, even though it does not have the ultimate backing of a central bank in Hougkong to act as lender of lost assets. fornia in 1973 and is only now

For the foreign involved, therefore, the Fed's decisions represent the mest favourable outcome that could have been reasonably expected. There are some loose ends to be tied up, including in all cases a 30-day waiting period hefore further steps to consummate the deals can be taken. But at this stage none of the obstacles in able-which is not to say that they are all trivial.

The foreign banks now have to face up to their new responsibilities. The New York retail banking market which Hongkong and NatWest are cutering has been a graveyard for the ambitions of many U.S. banking executives over the past decade. Competition is intensifying, with Citibank, the largest bank in New York, leading the introduction of expensive new technology.
In California, too, competition

is intense. The new purchasers must hope when they take charge of their acquisitions " the existing management banking conditions of th three years to get over the p

lems of the last recession.

If the Carter Administration and the Federal Reserve fail to pull off what Mr. Miller has described as the " minor miracle economy—a smooth slowdown to the moment perhaps it is only a less inflationary rate of growth a chairman's dream or night—the new owners of the three —the new owners of the three U.S. banks may have to call heavily on their talents and

The reasons for going in

BY WILLIAM HALL AND MICHAEL LAFFERTY IN LONDON

THE three U.S. bank takeovers approved by the Federal Reserve on Friday represent the largest planned foreign acquisitions in the history of British banking. If consummated, they will give British banks the biggest foreign presence in the world's most important banking market.

The biggest deal is Standard Chartered's purchase of Union Bancorp, California's sixth argest bank. It is virtually completed. The final hurdle is the Justice Department, which has 30 days to object. For National Westminster the Fed's approval is a major step forward. But a complication has arisen. CIT, financial conglomerate which currently owns National Stok of North America, has heen refused permission by the Fed to divest itself of its restric-

tive bank holding company

status. Under the proposed deal be-tween NatWest and CIT, the latter was to retain a 24.9 per cent stake in NBNA, but it was would be allowed to get rid of reported figures for the other its bank holding status. In banks are: Hongkong and long-standing relationship be tween CIT and NBNA, and the Union Bancorp £12.5m. substantial economic interest that would continue." implication is that NatWest will

have to buy even more than the planned 75 per cent stake in NBNA if it wants to go ahead. Assuming this problem can be overcome NatWest too will only have the Justice Department hurdle to overcome.

For Hongkong and Shanghai, the Fed's approval of its merger with Marine Midland, the 15th on the New Territories on the arguments. However, the record largest U.S. bank is a major step Chinese mainland runs out in of foreign bank acquisitions in forward. The combined group dozen banks in the world. However, as it is buying a state chartered bank, Hongkong and Shanghai also has to win the approval of the New York State Banking authorities. That could still prove to be a major obstacle. In 1973, for example, New York barred Barclays Bank from acquiring Long Island Trust Company. With assets of under \$1bn Litco was a minnow compared with Marine Midland which boasts assets of \$14.3bn. Unlike Litco, Marine Midland needs an outside injection of capital and this might ultimately the authorities' hands.

The British banks have already been criticised for allegedly paying over the odds for their proposed acquisitions. Initially, the deals will only have a marginal impact on earnings after financing charges. In 1978, for example, NatWest had earnings of £182m; NBNA reported net income of about a condition of the sale that CIT 19m. The comparable last ton a full tax cha

So why are British banks so intent on breaking into one of the most competitive banking markets in the world? Most important appears to be the strategic need to diversify earnings. Hongkong and Shanghai is still heavily dependent on Hong Kong which has a population of fewer than 5m peopleand there is a question of what happens when the British lease

the U.S. so far is far from impressive. Lloyds took over 1997. Standard Chartered too is eager to reduce its dependence on politically sensitive areas the eighth largest bank in Calilike southern Africa-even if showing a reasonable return. Meanwhile European American it means accepting lower returns in the short-term at Banking Corp (which is owned least. In other words they are by half a dozen top European banks, including Midland) has prepared to put up with poorer returns in a more reliable political environment. Mr. Peter Graham, chief Marine Midland has had some well-publicised problems in the

executive of Standard Chartered simply says: "The acquisition of Union Bancorp gives us a better geographical spread and a profitable base in the fastest growing area of the U.S. To emphasise the point Standard Chartered still has further expansion plans in the growth areas of the world. eventual objective is to have a well-diversified international banking group strong in the East—one of the bank's current strongholds—the U.S. and, eventually, in Europe. future is very rosy indeed. The Union acquisition opens up all sorts of possibilities." For NatWest the need to

diversity is less pressing, since it already has a sizeable whole-sale U.S. operation. However, with NENA with 141 offices in New York State within its fold. Nat West's, U.S. assets will be well above \$6bn. This provides a significant dollar base which could prove useful in the unlikely event of serious disturbances in the Euromarkets. It also means, as the bank's chief executive, Mr. Jeff Benson, said yesterday, that NatWest would be much better placed to serve its own multinational company clients.

There is a lot of sense in these

melodrama, the Sherlock Holmes Society is bringing in a

new name to lead its enthusiasts.

Lord Gore-Booth, president for 12 years, has lately resigned,

and a successor is about to be

take the lid off that one,"

replied.Michell in his most brisk

quarter-deck manner. "Some-body eminent, of course." Per-

haps Michell will be escorting

the new president on the first night of the new play: "I hear

it's pretty noisy," he said with obvious anticipation.

Having been to a preview, 1

could assure him that it is. In

fact, the Haymarket can never

have experienced such thun-

derous sound since it was

opened 160 years ago. To get

the effects just right, the open

ing was delayed a week while

special equipment came from

Who will it be? "Couldn't

Other British banks will certainly be watching the deals very carefully. Barclays, with its proposed acquisition of the consumer credit concern, American Credit, has chosen a less traditional and less expensive route to acquire U.S. assets and earnings, Midland Bank still has to make a move. The existing partnership in European American not thought to meet the Midland board's long-term objectives. The intriguing question which made the most of the t

bankers' aninds in recent months is whether Midlandwhich has a 16 per cent stake in Standard Charteres—with now pounce on Standard Chartered/Union Bancorp. This would put it among the top dozen banks in the world. But at mare of Lord Armstrong at Midland and Lord Barber at Standard Chartered,

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MEN AND MATTERS

Oil politics

on the horizon This may prove to be the week

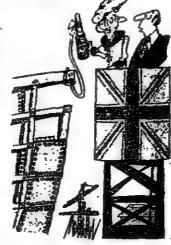
when the Gwernment finally recognises that oil pollution is a dangerous political issue. It could be merely a coincidence that the Department of Trade has announced a seminar for this morning on emergency measures to combat pollution just as demands are mounting in the Shetlands for the closure of the £800m Sullom Voe terminal.

Appropriately enough, the seminar is being addressed by tary of State for Trade. He will be anxious to convince his listeners that the Government is steaming at full speed with plans to catch the rogue tankers around our shores. But Smith will need all the verbal agility he once showed as Glasgow University's champion student debater to make much im-

pression. sharpest critics on oil pollution will be busy later in the day, in the Lords, They are Lords Ritchie-Calder and Campbell of Croy-both members of the independent Advisory Committee on Oil Pollution of the Sea (ACOPS).

An idealistic young MP named James Callaghan started ACOPS back in 1952, when oil pollution was fairly much a non-subject. Callaghan is stil Ithe committee's president, but has to endure some trenchant attacks from it on Britain's recent attitudes towards oil tanker control. ACOPS is funded by local authorities, which gives it the freedom to harass the Government as it sees fit.

Lord Campbell, a former Tory Secretary of State for Scotland, is the vice-president; he will be leading off today's debate at Westminster. Sullom Voe will be the crux - and ACOPS is well briefed on the mood in the Shetlands: its fulltime secreup there during the past week-



ready perhaps you should

Sebek, an LSE-trained expert on the law of the sea, told me yesterday that there is great anxiety in the Shelands about tankers discharging dirty ballast water as they approach Sullom Voe. There are no ballast water facilities at the terminal," says Sebek. "The Government should have thought about this long ago. There are demands for shutting the place down until facilities are ready in May.

The Government was badly jolted last week when five. defiant Labour MP's voted for a Conservative backbench amendment to the Merchant Shipping Bill, to make oil companies liable to pay for pollution caused by spillages. At present, shipping companies are liable. The clause was carried - and the Government now has the task of getting it removed.

Top values

tary, Dr. Viktor Sebek, has been. In another country coming up to

British bankers—and politicians—envious. It is about the salaries being earned in little Austria, a country which has had a Socialist government for nine years.
The popular newspapers are

pointing to the earnings of Dr. Heinrich Treichl, director, general of the Creditanstalt Bankverein. He collects before tax about Sch 3m (£110,000)more than twice the salary of Federal Chancellor Kreisky. It is also claimed by one news-paper that Treichi sits on the supervisory Boards of some two dozen companies. which almost doubles his salary.

The Socialists have been hoping to make capital-if that

Holmes hits town

An American musician-turnedplaywright named Paul Giovanni can breathe a sigh of relief. His Conan Doyle pastiche, "The Crucifer of Blood," which opens on Wednesday at the Haymarket Theatre in London, has been given a seal of approval from that formidable body, the Sherlock Holmes Society of

We wish it very well." says a general election, a controversy the society's secretary. Captain is stirring that will make many. William Michell. "Our members

keep a sense of fun. After all. there was once a ballet about Sheriock Holmes. Pretty good, too, I'm told." The play is already running

to packed houses in New York, and looks set to do the same here, with such leading actors as Susan Hampshire and Keith as Susan mampsaire and ketth Michell (no relation to the society's secretary). "My heart sinks," confesses Captain Michell, "at the postbag I am going to get—asking me how many times Dr. Watson was married and that sort of thing."

Just as the Baker Street cultis about to be given a fillip by is about to be given a fillip by Giovanni's medley of farce and

With eyes on the elections in May, the papers are asking whether Kreisky should get so much less expecially since the State owns 60 per cent of Creditanstalt and he thus represents the major shareholder. Treichl himself has said dryly: Compared to the comparable credit institutes abroad, it is But I do not know whether one should also say this about Austrian Cabinet members."

is the word-out of the whole quarrel. But they are also vulnerable, because Treichl's deputy. Dr. Vranitzky, has a total earnings of Sch 2.25m, He happens to be a Socialist. Chancellor Kreisky has raised the idea of increasing the top rate of tax in Austria now 62 per cent. But politicians pay tax on only half their incomes.

Lancet thrust

My vote for the most diplomatic. utterance of the whole NUPE dispute goes to the latest remarks by Dr. Tony Griffiths, chairman of Sheffield's Authority South Eastern man-agement team: "Undoubtedly there is risk of death. Some patients will have to stay at home and be treated by their

America.

FINANCIAL TIMES SURVEY

Monday March 19 1979

Euromarkets



Foreign exchange upheavals, rapidly growing international liquidity and rising U.S. interest rates dominated the world capital markets in 1978. But the dollar's stabilisation is leading many observers to hope for a change in trend some time this year.

Market shaped by the dollar

market stems from the weak-ness of its chief currency although the rise of the Swiss franc in particular, tended to medium, the U.S. dollar. The growing predominance of floating rate lending, whether through syndicated loans or floating rate notes; the rising proportion of the fixed rate bond market denominated in ing. Despite events in Iran.
"strong" currencles; the con- which have certainly caused a tinuing swing of loan conditions in favour of the borrower—all these different strands can be traced back to the dollar's The market now faces the possibility that the worst of this problem is over and that these consequences. will be partly reversed.

a reserve and trading

the investor's perception of them. For much of last year this perception was of American weakness—of the U.S. Administration's unwillingness to face up to its current account deficit and to bring the U.S. money supply under control.

To help the dollar, and to prevent the appreciation of their own currencies from their home countries, has continued to grow at an annual currency countries—notably West Germany and Switzerland —were forced to expand their own money supply. The result was rising interest rates in the U.S. set against falling or stable interest rates in Switzerland and Germany.

Market in currencies outside their home countries, has continued to grow at an annual rate of 25 per cent, and the total credit extended by the international capital market has continued to expand. Last year this market provided \$98bn in new credits, up from \$66bn the previous year according to the OECD.

By Nicholas Colchester

The dollar bond market was weak, and weakening, for the international linvestor, and international linvestor, and of the international capital market stems from the weak. discourage the borrower.

Plateau

There are already signs this year that this pattern is changdeterioration in the outlook for the U.S. balance of payments, the dollar has stabilised of late. Interest rates in the U.S. are regarded as having reached, if not the top, at least a kind of undulating plateau of indefi-

Consistently, the strong cur-The importance of the dollar rency countries have mirrored around the world. These have a reserve and trading these developments with a reflected both the fact that Eurocurrency puts pressure on tighter grip on money supply— currency interest rates have. Then why not find rate demonstary authorities around partly to compensate for last, been higher than U.S. interest lar bonde? The destress show that

assumed priority, and the bond markets there have weakened

Behind the shifts in the the Eurocurrency market character of the market caused growth since the end of 1973. by the recent currency unrest, two trends have remained apparently immutable—the Euro-currency market, the market in currencies outside

Much of this very rapid growth was due to refinancing, on increasingly favourable terms, but even so according to Morgan Guaranty the total of net new bonds and credits rose from \$55bn to \$66bn. The driving force behind this rising need for credit remained balance-of-payment imbalances, for while the clear cut pre-dominance of OPEC surpluses has disappeared there remain deficits and surpluses between industrial countries together with deficits in Eastern Europe and in the developing countries. It is notable, too, that the developing countries are not only financing deficits but also building up their reserves for

On the supply side there has been a substantial flow of dollar funds into the Euromarkets both from the U.S. and from central banks and monetary authorities

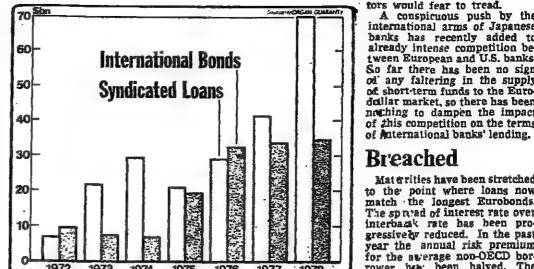
that mirrors the monetary rates are tending upwards, anti- into non-dollar assets. Morgan policies of the U.S., or at least inflation measures have re- Guaranty has estimated that central bank deposits with the Euromarket have been responsible for funding one third of

> Given this demand for loans, and this supply of dollars, the international capital market has settled on the syndicated loan as the easiest way of providing funds under unsettled exchange rate and interest rate condi-tions. Of the \$100m in new credit arranged last year \$66bn was in the form of syndicated floating rate loans of which all but an insignificant proportion was denominated in dollars,

Why has floating rate lending -predominantly through loans but also through a rising volume Floating Rate Notesacquired, for the second time, such a dominant position? The first part of the answer must be that most of the world's borrowers still want to borrow dollars. The dollar remains the universally accepted medium for payments, and a large part of foreign currency borrowing in other currencies tends to be converted immediately into dollars by the

A widespread move to diversify assets out of dollars is entirely consistent with a desire incur dollar liabilities through dollar borrowing. The very sharp currency shifts of the last few years have left borrowers unimpressed by the low interest rates available in strong currencies—the resulting cur-Panda axbustice pas after attach much more expensive than the interest saved.

the world to behave in a way year's excesses. Their interest rates, and a desire to diversify despite the continuing demand



for dollar financing the volume tor, whether private of instituof dollar Euro-bonds fell from tional, has remained choosier \$18.5bn to \$14.6bn last year about the creditworthiness of while the quantity of dollar the borrower than the bonds issued for foreigners in marginally as well.

Handsome

Last year cumulative uncertainties over currency exchange rates and yields were too great borrowers to enter into longterm fixed-rate commitments. On been provided by the inter-the borrowers' side there national banks, and they have remained a conviction that short-term interest rates of 12 per cent would prove an abbera-tion and that a long-term coupon handseme estu<mark>n</mark>i.

In add tion, the bond inves-

tional, has remained choosier syndicated loan market. the U.S. — yankee bonds — fell fraction of bond issues to non-marginally as well. OECD borrowers has been creeping up, but was still only 17 per

cent last year. In contrast, roughly one half of the funds provided by the international capital markets as a whole went to non-OECD borrowers.

The middle way between all these uncertainties has again competed fiercely to shoulder the risks implicit in this service. They have provided

poor deal. Heanwhile the in-vestor has not trusted the dol-lar and has professed to investigate and has professed to investigate and the poor deal. The tricky business of an interest rate commitment has the professed to investigate and the professed to investigate and the professed to investigate the professed to investigate the professed to investigate the professed to the p ing rate machanism. They have

mished in where orivate inves-

tors would fear to tread. A conspicuous push by the international arms of Japanese banks has recently added to already intense competition between European and U.S. banks. So far there has been no sign od any faltering in the supply of short-term funds to the Eurodallar market, so there has been nothing to dampen the impact

of this competition on the terms

Breached

Mat trities have been stretched to the point where loans now match the longest Eurobonds. The spraad of interest rate over interback rate has been progressively reduced. In the past year the annual risk premium for the swerage non-OECD bor-rower her been halved. The "best" suread for top-quality borrowers has stuck for some months at 1 per cent, but even this resistance level has now been breached.

At the same time, despite their long-term commitments to borrowers, banks have often been powerless to prevent a borrower from "gefinancing" his loan on more favourable terms. Such refinancing probably accounted for one-fifth of the new syndicated loans extended

The accompanying chart shows that in the background to the syndicated landing spree national bond market has con-tinued to edge upwards. The dollar problem shifted the emphasis somewhat away from the doller Eurobond market towards D-Mark bonds, Swits franc bonds, and, a newcomer, the Japanese "samurni" bood-but already in the first weeks of 1979 this trend has started to

Despite last year's fall in issue volume, the mechanisms of the Eurodollar bond market continue to mature. A number of major U.S. commercial and investment banks have recently become market makers in the Eurobond market through their London subsidiaries. This can only add to the credibility of this secondary market to Euro-bond investors. In addition, the mounting power and sophistication of international investment institutions is putting the cur-rent bond underwriting and distribution system under some pressure. These developments are described elsewhere in this

Over the rest of this year there seems no prospect of a fall in the demand for credit in the international capital Morgan Guaranty reckons on \$40bn in principal repayments on bonds and international loans for a start. China and the EEC will be in the market as borrowers. An improvement in the U.S. position could lessen the payment imbalances between industrialised countries, but the deficit of non-oil developing countries looks set to widen.

survey.

A sustained period of highish interest rates and exchange market stability for the dollar could well lead to a more powerful showing by the dollar Eurobond market this year; the recent opening of the dollar bond "window" showed the showed the number of would be borrowers. A period of calm for the dollar could also lead in time to a reduction of liquidity in the Eurodollar market. The cor: bination of this, and a slight more reticent attitude by the international banks, could brin the great refinancing sprea reduction party to an end.

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Flood of world liquidity

cations, a French state agency, to another are somehow credited announced plans to raise a Euro- with trying to mop up excess dollar loan of \$350m at a cost of liquidity, or at best as the helpg per cent over inter-bank rate, less victims of events. Equally, rising later to a princely spread it seems agreed that the Euro-

of ! per cent. markets
On the best available index of control. the adequacy of world liquidity, there is still a superabundance. for the market remains not only remarkably fine, but remarkably it to me: "Our offshore operaundiscriminating. Even bortions are simply branch opera-rowers of somewhat question- tions so far as the bank is able standing pay almost concerned. Our power to write invisibly small risk premiums. business is limited by our access The over-liquid and apparently unsound market which was tend- Reserve Board is the only body ing to frighten the participating which can create reserves." bankers a year ago is proving remarably durable. It is still

afloat on a flood of money. Throughout the runaway growth of world liquidity which has persisted through the 1970s various commentators, counterpart in external holdings equipped with tents and solar of non-dollar currencies—need topees, have been trying to look little further than the trace the flow to its source. One growth of the U.S. monetary large encampment of explorers beseiges the U.S. Administration of so much unfavourable comand complains of the current ment account deficit. Another large group tries to trace the criss-that all the blame can be laid cross transactions in the Euro-ar the door of the Fed. Other dollar market, and emerges central banks are not compelled brandishing estimated multi-to intervene in the currency pliers ranging from simple unity markets: they do so voluntarily, (the market is a pipeline, not a no doubt for the best of reasons. creditor creator) to seven or Equally, central banks such as more,

Surpluses

The encampment in the Middle East, concerned with the investment of OPEC surpluses, is coming to life again, after looking for a time like an abandoned mining centre. Central bankers, as they tour the margins finer, is some deplormant of this currency in offshore deposits, where liquidity is more readily available and margins finer, is some deplormant. is coming to life again, after world making speeches, concede that something must be done.

The one place which seems to me sadly neglected in all this activity is the protected ter-ritory in which the central bankers themselves are to be found. This is odd, because when ares the picture statistically, antional money supply gets official and near-official cut of control, nobody thinks of monetary authorities are driven hlaming a bank customer whose instead to make Eurodeposits: freely-issued bills of exchange the banks which take them duly are eagerly accepted. Nobody blames a bank which grants own central banks. The counter-loans, still less a depositor who part is now not an official likes to keep his funds on over-

such thing as a world monetary banks do to create world tary authority, it seems to be currency reserves since 1970, at assumed that nothing can be \$250bn, is of very much the sents the gross size of the

LAST WEEK the Caisse nationally mobile capital of one size of the Eurocurrency cussed, is the preference for the good indicator of turbulence in perhaps at a depressed level of seems possible. The U.S. current readily change in an unexpected Nationale des Telecommuni- denomination and converting it market.

Small group of OPEC countries the world, and is only to be activity—would have been define use financed by borrow—way. markets are entirely out of

> Yet the power of the central banks is quite clear-cut. As an eminent New York banker put to reserves, and the Federal effect is guesswork.

In other words, those who seek an explanation of the excessive growth of dollar liquidity -and here we must include the growth of central bank reserve holdings of dollars, and their base, which has been the subject

However, this does not mean special regulations to limit the impact of the currency they issue by way of intervention on their domestic money supplies, are no doubt concerned with domestic stability. What is not reasonable is that they should then argue that the migration able event beyond their control. They provoked it.

Finally, it must be added that the rejuctance of non-American central banks to permit the growth of official reserve holdings of their currencies exaggermonetary authorities are driven reserve holding, but a Euronight account. Attention is dollar deposit owned by a immediately turned to monetary central bank.

One figure will serve to illus-Perhaps because there is no trate this picture of what central done. Individual central banks, same order of magnitude as the market—2 great deal of which buying up hugo flows of inter- guesstimated growth of the net consists of banks depositing

be read far more sceptically

the UK's money supply without taking into account the figures from one of the clearing banks. Its deposits from customers will be omitted from the total, but its deposits with reporting

banks will not be counted as interbank deposits. The net

Ouestions

If the responsibility of central banks for world liquidity is accepted, we can turn to the really interesting questions: why do they behave as they do, and are they likely to stop?

be dominant here. The first,

guesstimates should which are clearly in long-term expected in a period when some than they usually are, since Their reluctance to use the regimes have became unimaging a large number of important recycling facilities offered by ably rich.

Their reluctance to use the regimes have became unimaging the Carter programme of months, their hunger for credit with a vast move out of the months, their hunger for credit with a vast move out of the November 1 1978 marked a will be partly sated, even if the dollar to produce an explosion watershed. At last the U.S. Fed does not tighten its projected of world liquidity. This time watershed authorities themselves were further. If this is so, then the required hat widely thought unit and wi measuring the Euromarkets is though it is very doubtful if rather like trying to measure the IMF would have proved as willing as non-American central nanks have been to finance a large and persistent U.S. current

deficit.

This, however, is pretty much have been mobilised by the central banks of a small group of industrial countries, two in large current surplus, and one with an embarrassingly strong exchange rate. Interventions in the exchange markets by Germany, Japan and Switzerland have accounted for a third of the total growth of world

currency reserves since 1970. Perhaps fairly, the Swiss can nd are they likely to stop? claim to be victims of their own myth—and of their own banking laws. A huge demand for Swiss higher.

small group of OPEC countries the world, and is only to be activity—would have been deficit was financed by borrow—way.

which are clearly in long-term expected in a period when some restored.

surplus for liquid holdings of the world's least secure For a time it appeared that widely thought that within a few large OPEC surpluses combined widely thought that within a few large OPEC surpluses combined that widely thought that within a vast move out of the

active participants in the creation of money. The motive can be regarded as a desire to remain competitive, a desire to resist an adjustment which the U.S. was determined to achieve. or simply a wish to maintain activity by financing net exports bility, but by January of this rather than by financing public year the dollar was actually a fringe issue. Far greater sums activity by financing net exports spending: it makes very little difference.

Deliberately or not, they have enabled the U.S. to continue financing both a large current deficit and a large capital outflow, for their massive purchases of U.S. Treasury obligations have kept official borrowing in the New York markets to modest levels. Had they intervened on a smaller scale, U.S. interest rates would have been higher. U.S. credit growth which has been widely dis- franc holdings is unhappily a checked earlier, and balance-

authorities themselves were concerned to stabilise the dollar Heavy intervention, and a Japan. further large injection of world liquidity, was required in the early weeks to establish credicommercially strong enough to reverse the tide of intervention.

Then came Iran. The conventional view at the moment appears to be that the events in Iran, and the enormous rise in the price of oil which has followed, have condemned the West to a replay of 1974 on a smaller scale, with an enlarged U.S. deficit, further Euromarket intermediation of OPEC surpluses, and a continued growth or excessive liquidity.

However, another scenario removed, money balances could

U.S. is as capable of achieving relatively small, or even begin balance or surplus despite large to move in the opposite direction in good earnest—by pushing up balance or surplus despite large (though probably not until the interest rates in New York oil imports as is Germany or (though probably not until the closing weeks of the year). A

Complete

exchange rates is now largely cess consumption which has complete, as the markets have caused the U.S. deficit. rate and the terms of trade. This less than in recent years. is the J-curve effect; if it is now

poor U.S. price performance need not prevent this change: indeed, realistic energy pricing, which would produce alarming It should also be noted that inflation figures, would do more if the adjustment of the major than anything to check the ex-

been suggesting—for what is remarkable in the recent turnoil is how small the changes have been—then current balances could change dramatically. In inflation seems likely to stay at volume terms, for example, home. Unless the market panics Japanese exports have been falling and imports rising for some ing price performance, the imtime, trends masked by the still pact on world liquidity and bigger changes in the exchange world inflation could be much

Anthony Harris

Interbank market under attack

from the Bank for International Settlements show no sign that the growth of the Eurocurrency market is slackening. At the centres had liabilities in currencies other than those native to each centre of \$802bn figure. equivalent. This implies a compound rate of growth since the beginning of this decade of about

25 per cent per annum. This rapid rate of growth has been the object of suspicion since its origins 15 years ago. There has been recurring discussion of the need to "control the Euromarkets." This year has produced a renewed tendency to talk in this way. Last year saw great volatility in the foreign exchange markets. The Mark and Swiss franc on the upside. Hence it was largely from West Germany and the U.S. that renewed mutterings about the need to curb. "Statepolicy or a single world mone- liquidity. The growth of world less money " were to be heard. The figure of \$802bn repre-

THE FIGURES for autumn 1978 currencies with other banks, commonly faces four charges, transparency and supervision— the exposure of German banks in the interest of prudential contributed amounts borrowed by banks as final users or original sources of end of September banks in the funds. The amount of money world's significant banking deposited and drawn from the Euromarkets by non-banks is hard to ascertain but is probably less than half the net

Reconciled

The large interbank element of the Eurocurrency market reflects this market's function as a sort of melting pot where the rency markets have short-current rates of exchange, ex-pectations about exchange rate finance" in making loans to demovements, forward exchange rates, and the interest rates on strings attached. various currencies are all reconciled one with another. It is the rapidity with which this tility were the U.S. dollar, on the downside, and the German Mark and Swies from Cerman feeling that they have lost control of their own monetar, environment. In this sense the Euromarket is a convenient whipping boy for the difficult fact that rapid communications have made all the world's sophisticated money markets interdependent.

The Eurocurrency market

the funds available for curregulated and highly com-which they are ultimately liable petitive. it allows and In 1977 the U.S. banking encourages banks to make imprudent loans and to fund them imprudently. Finally there is the feeling that the Eurocurveloping countries with too few

broadly into two categories. First, those which are concerned currency markets raise the question whether the sort of controls with which central banks regulate their domestic banking markets should be ex- England. tended in some way to embrace international bank business. Secondly, there are those which Obstacles are concerned with prudence-

Even the "net" figure of about The first is that it involves a in the softer sense of "having abroad.

\$465bn. includes substantial pyramid of credit which has an overview." Since 1974, when There added greatly to the world's in the wake of the Herstatt spending power and thus to the bank disaster, central banks prospect of inflation. The declared themselves to be second is that it has increased lenders of last resort to banks and their overseas operations, rency speculation and hence there has been a general move added to exchange rate in- by these central banks to keep stability. The third is that more closely in touch with the because it is a market both un- international loan business for

In 1977 the U.S. banking authorities, lod by the Fed, established a system to collate information on the international exposure of all U.S. banks every six months. In 1974 the Bank of England sought "comfort letters" from banks abroad which owned part or all of banks operating in the City of These charges break down London. Reciprocally it has made sure that it is fully inbank to open in a banking centre that impeded the flow of

both of banks and of borrowers. The German banking authori- markets, This "belt and braces" and to over-react in so doing. These imply a need for trans- ties have had to negotiate hard approach to bank supervision is But the problem here is probsome sort of policing system to relation to Luxembourg—the banks where parental involve—modern communications than to prevent had banks from making centre of the Euromarket ment in their activities is by a lack of reserve requirements bad loans to had horrowers.

There is a measure of agree. There are now provided to the speed of modern communications than to entire the following of the German banks. parency in the markets and for to get round such obstacles in There is a measure of agree- They are now receiving more ment about the need for more information than before about widely conceded to be desirable

There have also been international measures to make sure that banks do not escape superwas established in 1974. Its secretariat is provided by the Bank for International Settlements. It has sought to lay down guidelines for the supervision of different types of banking operations — branches, subsidiaries and consortium banks, defining where the onus should where on the authorities of the centre in which the offshoot is operating.

upon development of control of international banks via the with the alleged macro-tions of British banks. It would ment information needed by economic impact of Euro-not, for instance, allow a British parent banks. But the Bank of England has also methodically developed its overview of the But while "transparency" is

supervision, there is no agree-ment at all on the alleged macro-economic evils of the Euromarket. The most testing vision by somebody. The Cooke Committee, chaired by Peter Cooke of the Bank of England, was established in 1974. Its loans to fund balance of payment imbalances, the rapid global increase in money supply, the rise of the forward exchange markets to meet the challenge of floating rates, the instability of currencies — would not have occurred had the Eurocurrency be on the parent bank and market been somehow prevented from emerging?

entre in which the offshoot is The case for the prosecution is thinly supported at the The stress at the moment is moment. The bulk of academic opinion currently rejects the thesis that the global spending parent — an approach which power has been greatly augformed of the overseas operaties in well with the manage-mented by a massive creation of tions of British banks. It would ment information needed by credit in the Euromarkets. It is only marginally inclined to believe that the funds available for speculation have been information about its activities operations of banks of all increased through the Eurothere back to the Bank of nationalities, in the City, dismarket. It is perhaps more cussing their operations with sympathetic to the notion that their managements and receiv- the Euromarkets mobilise funds ing detailed reports of their swiftly against what are popu-positions in the foreign larly thought to be mistaken exchange and Euro-currency economic and monetary policies, particularly apt for consortium ably more due to the speed of

Nicholas Colchester



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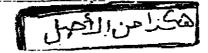
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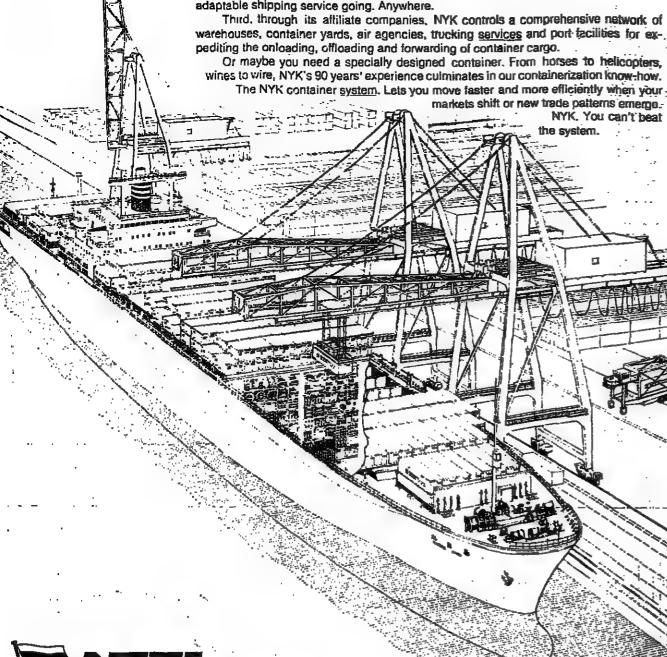
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Syndicated loans cause concern

THE SYNDICATED Eurocur- months among the banks on not entirely comprehended. of world banking-both domes- sary before extending credit. tic and international-which atracts such a constant level of criticism and examination.

The reasons for such disenssion are not hard to find, Senior central hankers in concern over the dangers to

banks represented by large-scale international lending at virtually negligible profit margins. The QECD has just released data showing the extent of last year's pressures on bank's Euromarket lending.

dramatically, developing world average fell to 1.03 per cent from 1.46 in the same period, while Comecon countries paid 0.73 compared with 1.05 per cent.

The general average retreated to 0.87 per cent from 1.17 per

Banks are clearly now missing the heady days of the mid-1970s, when loan business could be written at up to 2 per cent for a wide range of borrowers.

At what point syndicated lending becomes unprofitable is difficult to assess. It is complicated by the fact that banks will continue to lend to a prime client at a nominal loss, proiding a net profit accrues from won from the borrower con-

Ratio

A typical U.S. bank, for instance, needs to obtain a loan spread of some 0.5 per cent if it is 10 produce a miserly 16 per cent return on capital on an required return is raised to 20 per cent, the spread involved rises to 0.75 per cent.

ratio, a standard more usual in major syndication operations. Continental Europe than the It is reckoned the high-water U.S., the spread needed for a 16 mark was reached in 1978, when

now heading below the per the full scale of its new oil borrowers by a single bank, cent mark, where, on an eightyear loan, it is barely providing an extra 0.1 per cent, of spread.

At the same time, it is probtwo other banks with which it has a close relationship.

rency loan technique reached its country risk analysis—in other full Gowering in the mid-1970s, words the sort of safeguards Since then this form of lend- that should be built into loansing has proved an addictive as well as the increased bloom for many banks, and economic, financial and political there is probably no other area surveillance of a horrower neces-

Such safeguards range from stricter legal documentation in loan agreements, to protect the banks, to the sort of compensation that can be built into the overall charge on the borrower, recent months have voiced their reflecting the risk elementaccruing to the bank.

In fact, the cost of risk appears not to be based on any universal standard, and banks tend to approach the question from their own individual standpoints.

By the end of the year, the U.S. Federal Reserve, sug-verage spread paid by the lead-gested last year that the losses By the end of the year, the average spread paid by the leading industrial (OECD) nations on foreign loans had averaged one-third of 1 per cent of the chargests an approximate risk-cost for international lending.

But the banks are still faced with great temptations. Syndicated lending in recent years has represented the most prestigious part of their international business, and the kudos of handling a large deal for a quality borrower are keenly

The "league tables" of Euromarket positions are closely scrutinised, and banks jealously watch each others' progress up or down the management rankings. By last year, syndicated lending had ballooned in volume to some \$65bn-\$75bn.

But the real impetus to syndicated loans business started in the early 1970s, reflecting the need to finance many developing and advanced countries' balance of payments deficits in the wake of the oil crisis. That financing task was largely left to the international banking system, and an effective method of widely distributing this financing burden among banking institutions became an urgent need.

On many occasions, it was not unusual to see some hundreds. ises to 0.75 per cent. of banks, as managers, co-If the earning asset/capital managers and straight subratio is lengthened to a 35-to-1 participants, brought into the

it is reckoned the high-water per cent return is reduced to 0.4 more than 500 banks from almost every quarter of the Unhappily, the front-end fee globe participated in a syndicastructure on syndicated loans, tion arranged by Lloyds Bank often a useful device for protect- International for Mexico, then ing profitability, has also been rapidly winning back the confi- usual to see sums of up to \$50m under pressure. The average is dence of international banks as being extended to sovereign

The Euromarkets are haunted tion of the major structural Latin America, in particular by the spectre of Iran, which changes forced on the industrial has been a target for such is delinquent on a fair proper-world's commercial banking unilateral lending. The U.S. tion of its syndleated leans. This systems, stemming from develophas focused attention in recent ments in the mid-1970s, is still public opposition to low-margin

In the words of one senior development. Euromarket banker, "The banks Another an were subject to a form of of forced growth in the past mu decade in order to meet the extensive demands on them. For many, the pursuit of inter-national business has become

changes to their organisation By the same token, such change within the banks themselves is almost synonymous for alterations in the structure of the world-wide Eurocurrency network itself, which reached a gross size of more than \$500bn

towards the end of 1978.

Many different economic. monetary and financial market factors are at play. One dominating theme, however, is that the pattern of the sharp, giobal payments imbalances of the 1970s has altered radically. Many industrial countries, excepting the U.S., have improved their current account deficits.

Sługgish

Similarly, much of the developing world has improved its position, to the extent that nonoil LDC's became a net supplier of funds to the international banks during 1978. The slow growth of Western industrial economies has contributed to the picture, in that many banks turned to overseas business for growth at a time of sluggish domestic demand for

The net result has been a surfeit of international liquiditya position that an increasing sophisticated community of regular borrowing nations and institutions has not been slow to exploit

exceptionally Last year's heavy syndicated lending total of some \$70bn disguised a massive amount of renegotiated or refinanced credits, as horrowers sought to improve both the in-terest margins and maturities on their past debt operations. Perhaps as much as a quarter of total volume was attributable to renegotiated loans. The trend that developed in

1978 and the early part of this year-and which seems to be fundamentally undermining the concept of syndicated lendingis the cagerness of many banks to extend large unilateral credits to horrowers, where normally a syndicated loan would have been arranged.

Bankers claim that it is not

Latin America, in particular

lending, have shared in this

Another area has been that corporate lending, where multinational groups have been offered substantial low-margin-

loans by single banks. Bankers suggest that, in the epening months of 1979, banks addictive, and brought lasting acting alone, or with a small group of associates, have extended enough private deals to approach the volume in the con-ventional publicly syndicated Euromarkets.

Thus, the syndicated loan danger of becoming redundant, except for the exceptionally large "jumbo" credit or for highly-indebted borrowers where a large amount of banks must be canvassed in order to get sufficient support for the load involved.

At the beginning of this yearas banks were beginning to prepare for Euromarket policies for 1979, the views for the lending outlook ranged from the cautiously optimistic to the outright pessimistic.

One gloomy theory is that, such is the competition for assets in the international banking system, that lending spreads will remain extremely low by historic standards. The most favoured group of borrowers will continue to improve their position, and banks will be forced to continue lending at the very edge of profitabilityi.e. from } percentage points upwards.

However, most believe that the Euromarkets will remain sensitive to broad cyclical movements in world economic conditions, and credit costs will respond to these changes.

The current increase in oil prices again threatens to create payments imbalances in much of the industrial and developing increased financing needs in the Euromarkets.

Allied to this, a slowing U.S. economy may rebound on the developing nations, which are dependent on the industrial world for their exports of commodities and metals. This raises the prospect of another source of strong credit demand. Thirdly, the high absolute level of interest rates on dollars

costs, and a country like Brazil faces finding some billions of dollars over the course of this year if U.S. rates remain high. A combination of such developments may, during this year, create some tangible resistance among banks to continued pressure

is aggravating debt servicing

their spread levels and leagthen maturities, But no-one is prepared to forecast the strength or duration of such a shift in terms in favour of the lending banks.

John Evans

Bond market feels the impact of institutions

THE INTERNATIONAL bond applies to the historic overall markets are in the throes of ownership of the market, and the same type of discomforts which have bedevilled some towards institutional activity.
other big world securities The impact of the instiother big world securities markets in recent years.

The reason? An increasing domination of the markets by big institutional investors such as insurance companies, pen-sion funds, central banks and the like. In recent years, the small, private investor has been increasingly supplanted by the large institution—and the bond markets are still grappling with the fundamental changes this is bringing, both in primary and secondary operations.

In fact, many bond analysts are drawing a parallel between current developments in bond markets and the type of internal pressures, including commission levels, encountered by the U.S. securities industry in the past decade, stemming from a similar concentration on servic-ing the requirements of hig institutional investors.

The archetypal small investor in the Eurobond market has often been characterised as the "Belgian dentist"—in other words, the private European saver who had represented an important core of the Eurobond market since its establishment in 1963, perhaps accounting for 90 per cent of market absorption at that time.

Some analysts believe that institutional buying overtook for a prime name new bond issue are now probably in the bilities. region of 60 per cent of the

standing Europonds are still recent dollar issues, including held by private clients, with the Gould, General Telephone of brokecage trading means that institutions accounting for the and Electronics, Sears Roebuck, stock sales and purchases in remainder. But this estimate Finland and Pepsico bonds.

disguises more recent trends

The impact of the insti- of the growth of institutional tutions is being felt in a variety investment. The smaller banks, of areas, from new issuing activity where institutions have almost become a recognised force in the pre-placement of bonds, to secondary trading where bond houses are carefully cultivating their relations with central banks and other

The presures over the last few months towards currency diversification, prompted by the weakening dollar, have meant that the typical central bank has started to look at a much wider rauge of currency options in bonds. Among the active central

banks are considered to be those in Venezuela, Brazil, Uruguay, Ecuador, Malaysia, India. Nigeria and Indonesia, as well as the monetary authorities in the Middle East and other areas.

One of the most recent ten-dencies caused by such institutional penetration in bonds has been the apparent concentration of the primary Eurobond market in the hands of larger banks, with a move away from the traditional practice of employing broadly-based underwriting and selling groups.

Squeezed

The smaller banks participatretail investors towards the ing in large underwriting and end of 1977, after gaining selling groups complain that vation point out that a broker-momentum from 1975 onwards, they are being squeezed by the Mr. Ian Kerr, of Kidder tendency for enlarged manage—add to market stability. Under Peabody, recently said: "I ment groups to be formed, which present methods of trading, an believe that institutional orders themselves handle all under- attempt by a market-maker to writing and placement responsi-

Three-quarters of all out-tion and underwriting of several

This development in primary market disruption. The dealing business, involving the larger houses may also be able to conbanks with extensive placing centrate their main efforts more power, is made possible because with placing ability limited to a relatively small group of investors, become much less

important for primary business. Such larger groups also provide other benefits for lead managers. It allows them to retain a greater proportion of the commission fees and to check on the eventual place-ment of the bond more closely -potentially beloing to reduce the danger of a "dumping" of the issue on secondary markets.

Such overall trends shift the Eurobond along lines already taken by the domestic U.S. bond markets. In fact, another U.S. practice - in secondary trading-is now being fostered in the Eurobond market.
Two U.S. brokerage houses

are providing what the Euro-bond market is terming as the function of a " Broker's broker." The firm of Purcell Graham, which has recently been joined in Europe by Mabon Nugent. is acting as a pure broker in
Eurobonds. Their operations ting buy or sell orders to the involve the broker dealing market-makers in the securities matching buyers and sellers. The brokers do not deal with

end-investors at any stage. The Eurobond market is still arguing about the benefits of clearing systems.

Some major major

unload a large block of stock can be rapidly heard of though-This newer form of grouping out the market, sending the has been used for the syndica- price of the stock concerned

> The more confidential system of brokerage trading means that that is necessary. size can be executed without

down,

fully on servicing their clients, the investors.

However, those detractors of the brokerage system claim that this method has not added much to the depth of markets in New York, particularly the Yankee bond market. At times of market stress, the Yankee market often rapidly becomes "bid only" or "offered only," making dealing very difficult despite the existence of brokers.

Dictate

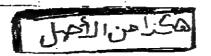
What ultimately may determine the success of the brokerage system, and also dictate future secondary trading tech-niques, is the advent of computerised trading systems in the Eurobond markets, analysts point out.

The Eurex computer-assisted trading and information system is due to come into operation before the end of this June, and now has 50 committed subscribers.

between the market-makers, concerned, and then computerselecting the best deal. This can be cleared for the customer subsequently through either the Cedel or Euroclear bond-

> Some major market-makers, such as Credit Suisse First Boston and Bankers Trust are now committed to Eurex, according to the system's

However, opposition to Eurex has become entrenched, particularly in the London markets. Many houses complain that a computer system is de-humanised, and removes the direct person to person contact



German and Japanese lending challenge

narkets on two important identify exact trends.

The American banks tended bond markets gave a clear picapanese banks and, to a lesser xtent, banks in Germany, 3ritain and elsewhere.

Secondly, the chronic weak-less of the dollar during most f 1978 created fresh impetus or currency diversification in nternational capital market

These developments occurred gainst a fundamental shift in he direction of the Euronarket borrowing itself. To a arge extent, the markets moved way from the task which had ominated much of the 1970s, he financing of balance of eficits among the oil-consuming ations.

Instead, the Third World njoyed much better access to re markets, and many banks apidly shifted their priorities funding the development rogrammes among the non-

rganisation for Economic For medium-term Euro-lend-o-operation and Development ing any trend towards greater DECD), non-dollar interna-onally syndicated credits not exactly parallel the historic

The Deutsche-Mark and yen For instance, the pool of counted for the major part Euro-yen available outside this amount. However, a Japan is estimated at little more ther greater role was probte borrower. Multi-currency domestic sources of the suses allowing draw-downs in currency in Japan.
her currencies have become a And this begs the old question

FHE YEAR 1978 is now more usual practice, although—to what extent do the Japan-regarded as a potential water-shed period for medium-term rounding such activation of the can take on a reserve currency pace of their rounding. Accurate Eurocurrency lending and bond borrowing makes it difficult to role?

be displaced from their ture of currency diversification. lominant market position by in part due to the investment he aggressive drive for interational loan business from the apanese banks and, to a lesser as Central Banks. The dollar's as Central Banks. The dollar's share of total new international issues was cut to 50 per cent in 1978 versus 65 per cent in 1977, the Deutsche-Mark upped its slice to 40 from 23 per cent.

Rapid

The rapid expansion of the Euromarkets in recent years, to a gross total of over \$800bn towards the end of 1978, has been in part due to the capital arriers erected by countries ske Switzerland and Japan to fend off flows of hot money, and in turn reflects the extent of

rogrammes among the district nations.

Despite the unsettled currency inditions prevailing for virtuity all of 1978, the position of the dollar as the leading irrency for international hank redits was not seriously holdings of Communist countries as well as certain additional OPEC assets.

impleted during 1978 experience of the dollar, by far nounted to \$2.6bn equivalent, the largest single component of barely 4 per cent of the total the Eurocurrency interbank market.

ply taken by non-dollar cur- scale use of the yen in capital incles in connection with the market transactions will clearly tual utilisation of funds by have to be supplemented by

Additionally for many borrowers in the medium-market a switch from the dollar would on an outstanding basis to not necessarily make sense. nearly \$19bn to \$20bn in 1978. not necessarily make sense. Borrowing in strong curren-

cies rather than the dollar may be ultimately more expensive than a conventional dollar operation, despite the generally lower interest rates available on D-marks, Swiss france and other strong units. Thus, there may be built-in resistance to a switch from the U.S. currency, despite a large supply of other currency alternatives. alternatives.

The shift of official central bank reserves into a much wider range of currencies will ultimately be an important determinant of the complexion of the Eurocurrency markets hankers in Europe were directly standard to charge that Japanese banks were directly Japanese banks were directly tapping the country's expanding currency reserves in order to engage in cheap lending opera-tions in dollars, in order to pave the way for increased penetration of Japan's exports in world markets.

This is a clear over-statement. But it is true that the liquidity expansion in the Euromarkets last year stemmed from the excess of dollars available worldwide stemming from the U.S. balance of payments and the simultaneous rush out of the

dollar.

In addition, international liquidity is expected to tighten this year because of a reduced level of central bank intervention to support the dollar (although the increased payments deficits anticipated in the wake of new OPEC price increases tend to blur the out-

look somewhat). By the end of 1978, Bank of Tokyo, Industrial Bank of Japan, and the Tokai, Sanwa and Fuji Banks were all well up in the rankings of the top 20 syndicated loan managers.

There are reasonable grounds to expect a moderation in such lending activity, particularly after Japanese Ministry of pace of their lending. Accurate themselves estimates are not available, but dollar loans by Japanese banks

The Japanese banks' need to draw in medium-term deposits to support their lending have imposed considerable strains on the international money

on the international money markets in the last six months. Under the original official regulations i mposed on Japanese banks, the banks were required to match new mediumterm lending with deposits which were not due to mature for at least a year and a day. The fact that the banks had to meet the matching requirements only on an occasional annual reporting dates resulted in a scramble for long-term funds last November to December.

This pressure—felt especially in the Eurodollar floating rate certificate of deposit market— has subsequently eased. Additionally, the Japanese authorities, in year-end rulings, changed the regulations in two authorities, in year-end rulings, changed the regulations in two basic areas in order to prevent similar strains in the U.S., Japan, Canada and the UK. they are universal banks—combining investment banking business and similar strains in the future.
The banks must now report

their matched positions on a monthly basis, and they have to match at least 60 per cent of the total outstanding medium-term loans, rather than 100 per

with the erosion of profitability in low-margin syndicated lend

themselves at between a quarter and three-eighths of a point above the six-month Eurodollar interbank rate, to which the rates they lend on syndicated loans are also tied. For prime quality borrowers, the profit margin has virtually dis-

appeared. The year 1978 also saw the continuation of the expanding role taken by the German banks as significant managers of syndicated loans

This had been an area of business which they had long resisted because of an aversion towards the use of floating interest rates in long-term finan-

cing.

By last year, seven of the ten German banks with inter-national aspirations owed be-tween 25 and 40 per cent of their profits and balance sheet assets to international opera

Potentially, the German banks

could wield more muscle-power than the Japanese. In contrast to banks in the U.S., Japan, large-scale commercial banking Now that the Bundesbank has assembled more than \$40bn of monetary reserves. German banks no longer fear that their central bank can offer lender of last resort facilities only in Deutsche Marks. This, along with the build up of their Yes. cent of new lending.

In essence, the Japanese banks, like most of their international counterparts, are faced much freer to lend dollars.

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Portfolios move from dollar

TE VOLUME OF new issues New York, Legal and printing unless the lead manager rushes the Eurobond market fell by costs are higher in New York, in to mop up all the bonds hangore than \$3.4bn last year to 4.1bn, according to recent tures published in the OECD's count of U.S. dollar-denomi-

quire bonds denominated in depreciating currency and to take long-term commitments are three- and six-month trodollar rates had risen ove long-term yields.

While U.S. officials argue that

ls diversification of portfolios vay from the U.S. dollar is a mporary phenomenon, many lalysts would question such a lief. The huge rescue operation innunced by President Carter st November was proof enough at foreign holders of dollars ere not willing to continue sorbing an ever-larger amount

the currency.
The major block to diversifiation of portfolios remains the w availability of non-dollar aper, despite the record mount of DM denominated onds floated last year. Borrowes raised the equivalent of the total section of the contract ist year in the Euro and preign bond markets combined. This brought the share of uch bonds in the new issue tarket to 24.3 per cent from 8.4 per cent the year before, it the same time the dollar nare in the new issue market ≥11 from 56.9 per cent in 1977 39 per cent last year. Floating Rate Notes ecounted for a much greater

roportion of new dollar issues ist year than ever before. At arious times during 1978 the ew issue market in dollars flectively dried up except for ne odd FRN. Gone were the eady days of 1977 when new sues amounting to an average f \$2bn every month were being

Commissions

Bond houses have had to face nother development which has ot been to their liking: they ave had to pass on to investors. t least the institutional ones, n ever-larger proportion of heir commissions, usually in he form of selling group dis-

ounts. Tougher conditions last year lso showed up the Eurobond narket's faults, all the more as learly half the new dollar issues y international borrowers were loated in the New York bond narket in the form of Yankee

This prompted more investors o look closely at the respective discount. dvantages of each market. In hoose between London and issue when it starts trading

not to mention the cost and time it can take to register with the Securities and Exchange Comnancial Market Trends — led mission. In Europe, on the other a decline of \$4.1bn in the band, commissions are higher and costs are cut by the fact that coupons, at least on straight This decline reflected in-stor's increasing reluctance to rather than every six months.

The Eurobond market is also less discriminating than the Yankee one. Were ratings to be introduced in Europe as they are in New York, this could change. For the time being nonprime-rate borrowers, whether they are Western companies or Third World entities, have much easier access. The bulk of the \$5.54bn worth of bonds raised by the Third World last year, up from 1977's figure of \$3.84bn, has come from the Eurobond sector of the international bond

Another major difference between the Yankee and Eurobond markets is the manner in which the bonds are placed. Bond houses in Europe have tended to underprice issues and pass on part of the commissions to investors in the form of discounts, in effect offering them cheap bonds.

In the U.S. the commission for selling bonds is fairly rigid and no professional bond dealer in a selling group can re-allow more than 0.25 per cent in discount if selling to another professional dealer. If he is selling to a private investor he must offer the bonds at the full issuing price while the issue is in syndication. These rules ensure genuine placing. This discipline is enforceable

in New York because most of the business is done by only a small number of bond houses. about a dozen. Were such practices as seen in the Eurobond market to emerge they could easily be detected.

In the Eurobond market where the Association of International Bond dealers boasts more than 450 members for 27 countries it is impossible to tell who among the bond houses has genuine retail outlet.

There are a number of exceptions, of course, but there is no way of knowing who is cheating when the commission structure allows bond salesmen to pocket 11 per cent out of the 21 per cent overall commission and then re-allow the honds they have bought to anybody. The result is that quite a few professional "fly by night" operators can make a comfortable living by keeping the ₹-1 per cent underwriting commission and dump the bonds they have been allocated at a

The result usually is a sharp ost terms there seems little to fall in the price of a given new

in to mop up all the bonds hanging over.

These practices are hard to change because major institutional buyers and central banks have come to expect to get their bonds at a big discount. Further many investment bankers point out that the big European commercial banks warehouse bonds when they cannot sell them, even if they have obtained a mandate to arrange a bond in the first place by offering borrowers terms which they know investors would not accept. This underpricing of issues is a recurrent feature of the market.

Ketort

Attempts by European banks to introduce such practices in the U.S. met with a sharp retort back in 1977. The question today seems to be: will New York-type practices finally pre-vail in the Eurobond market?

Guessing the volume of new issues of dollar denominated bonds this year is not easy: although a record amount of new issues was floated last month — at least if compared to recent months — it remains doubtful whether all have been well placed. New issue activity is bound to remain thin as borrowers are unwilling to pay yet higher coupons and dealers cannot possibly carry a reasonable inventory.

The huge amount of funds suggests that if and when investors are convinced interest rates have peaked the policy characteristic of recent months will develop further.

Chasing bonds in the secondary market to lock in higher yields, borrowers may be prepared to pay more for their money, especially if they can call their bonds within two years or less as has been the case with a number of recent issues, and if they were to become convinced that interest rates were going to remain high for some time to come.

The DM sector is also suffering from escalating interest rates today, though the differential in favour of DM paper remains large. But the speculative lustre has been rubbed off the currency for the time being and new issue activity has fallen

considerably.

The Swiss Franc market is accommodating a remarkable volume of new issues but it has no desire to challenge the dollar. Until the U.S. currency stabilises and U.S. interest rates stop-climbing or come down, it will be difficult to convince investors not to stay liquid or buy

Francis Chiles

WestLB International in Luxembourg - Zurofinance centre of one of the big international wholesale

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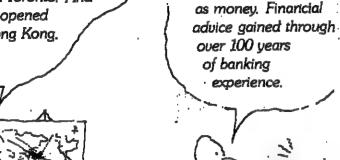
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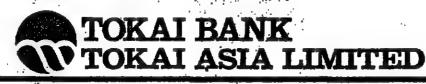
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Arbitrage spur to CD issues

THE TWO factors which dominated the international Certificate of Deposit (ICD) markets last year were the relationship between domestic and external dollar interest rates and the Japanese banks financing needs. A third development worth noting was the prolifer-ation of CD markets in financial centres around the world.

During much of last year foreign exchange market pres-sures against the dollar meant that the differential between Eurodollar and domestic dollar interest rates was wider than usual. Eurodollar rates are traditionally higher than U.S. domestic dollar rates (to allow for the greater risk of depositing a currency outside the country whose currency it is). However, when the dollar comes under pressure on the foreign exchange markets, the rush to borrow dollars for conversion into other currencies tends to push up external dollar rates to a higher-thanusual margin above domestic

A further factor pushing in the same direction last year was the tendancy in inter-national markets to try to an-ticipate rises in U.S. domestic

The net result of this position for the CD markets was a de-rline in U.S. bank issues outside the U.S. and a sharp rise in the volume of their issues inside the VI.S. Indeed, for a considerable period it was well worth while for the U.S. banks to issue CDs within the U.S. simply for the purpose of buying Eurodollar

The volume of U.S. bank issues of CDs outstanding in London, which had risen from \$11.6bc to \$14.0bn in the last quarter of 1977, fell back to a low of \$11.35n in August. Meanwhile issues of CDs inside the II.S (which do include foreign hank issues but are obviously mainly but II.S and II.S made III.S The to \$99.9bm last year

It is worth noting that the structure of domestic interest "ates within the U.S. meant that was even more worthwhile for U.S. companies to arbitrage money out of the U.S. than it was for banks. Commercial paper rates were standing well below CD rates in the U.S. last year and although dealers say that some U.S. companies felt that such activity is naughty, it may be assumed that outflows of capital from the U.S. through the corporate sector were added to outflows via the U.S. banking

At the end of August the by the U.S. authorities removal of reserve requirements on net borrowings by banks in the U.S. from abroad. However, the effect of this move was almost certainly diluted by the big foreign exchange market up-heavals in October and in the last half of December.

Delay

Two other factors probably served to delay the impact of the removal of this regulation. One was the fact that the assessment date on which the reserves would have been payable was almost a month after the announcement of its removalso that at its earliest it would have taken effect towards the end of September. The other was that during last year U.S. banks generally were very large net lenders to their foreign branches and for most banks these positions would have to be unwound before the removal of the reserve requirements

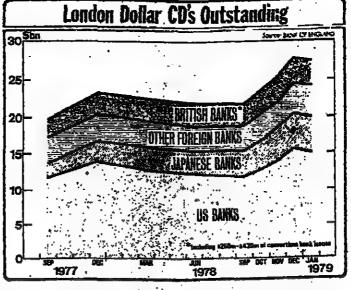
became meaningful.
Nonetheless the abolition of the reserve requirements was certainly one factor-and an increasingly important one—in making fund-raising cheaper for U.S. banks outside rather than inside the U.S. The other two factors involved in pushing up U.S. bank issues of CDs in London late in the year were the regular seasonal one and, dealers say, expectations of rising interest rates.

esident Carter's November package to support the dollar did indeed succeed in stabilising the dollar's position on the foreign exchange markets, but at the cost of a commitment to keep U.S. interest rates sufficiently high to continue to attract funds into the currency.

Thus dealers argue that when the dollar again came under pressure in the latter half of December the reaction of U.S. banks was to raise term deposits madly in an effort to get in sufficient funds to cover themselves for the next few months when they expected fates to be pushed up steeply again.

In the event the dollar restabilised, rates fell back quite fast in January and Issuing activity by U.S. hanks was very quiet until perhaps the last comile of weeks.

Recently, however, it has reportedly picked up again, a particularly notable feature being the fact that U.S. banks are going for longer maturities than usual. Dealers are interpreting this as a sign that top U.S. banks think that once the U.S. authorities have digested the extent to which the official pean centre is undoubtedly money supply figures have Luxembourg. This reflects both understated the growth of the the growing presence of the money supply they will move to German banks in the Euro- in New York, in the same time push up rates fast and sharply. currency market, since for tax zone, could further eat into their



But it is still too early to see a clear trend here. Meanwhile, the impact of last August's removal of the regulations M reserve requirements has favoured flows from the external to the domestic dollar markets. The rate structure recently has

been that Euro-CD issues have cost U.S. banks more than domestic issues of CDs. The lack of reserve requirements on the Euros more than compensates for this difference. Moreover, while this has prob-

ably promoted inflows via the U.S. banks into the U.S., it is much less worthwhile for U.S. corporate treasurers to invest proceeds of commercial paper issues abroad.

Japanese

The other big source of issuing activity for CDs world-wide is the Japanese banks. The reason for their activity is twofold. First, under Japanese domestic regulations they are mostly prohibited from issuing ficating rate notes or bonds, Second, and also under Japanes regulations, they have been required since mid-1977 to cover their medium-term Eurocurrency lending by taking in medium term deposits (defined as deposits not maturing for at

least a year and a day).

The details of the regulations are complicated but the niceties of reporting dates meant a big build up in their issuing activity towards the end of

They issued CDs heavily in London, New York and Singapore, particularly floating rate CDs.

the volume of CDs issued by Japanese banks and outstanding round the world at the end of each of the last four years was as follows (in \$bn):

Outstanding issues by Japanese banks on the London market rose from \$2.7bn to \$4.8bn last year. Suprisingly, London still accounts for some per cent of total Japanese CD issues, though its position has been eroded a bit in recent

latest Japanese breakdown, showing where the Japanese banks' issues were made, unfortunately dates back to the end of 1976 and this shows London as being responsible for close on three quarters of total issues, with New York accounting for just over 20 per

cent and Singapore for only 5

The Japanese funding requirewere eased considerably at the end of last year and after some ironing out of anomalies affecting individual banks, issuing activity is expected to be less hectic this year. In addition, medium-term lending by medium-term lending by Japanese banks is also expected to run at lower levels than last year, at any rate for the early part of the year and this would lead to lower funding require-

One of the major current trends is the proliferation of markets in CDS. For nearly a decade London and New York were the only CD markets in the world and the only two currencles in which CDs were issued were U.S. dollars and

These two centres remain the cornerstone of the market. Singapore, with \$545m worth of total issues outstanding at the last reporting date, is cer-tainly third. But there are also several CD markets in the Middle East—in Kuwaiti dinars in Kuwait and in U.S. dollars in Bahrain. Even Amman, hardly the world's best-known financial centre, is on the CD bandwagon. However, until now the three

biggest: gaps—the D-mark, the yen and the Luxembourg franc -remained gaps in the network. There is no sign that the Bundesbenk is thinking of relaxing its relentless opposi-tion to the issue of D-mark CDs. Indeed, one of the more entertaining episodes in the international financial markets CDs via Salomon Brothers to U.S. investors. The Bundesbank made its opposition manifest and the proposal was dropped with red faces all

However, there are moves to fill the other two gaps.
Although some final details remain to be settled, the Japanese authorities and banks have agreed that a yen CD market will start in Tokyo in

The Japanese authorities feel that they are taking a leap in the dark in that these CDs Japanese authorities will be the first forms of investment other than money market deposits where they will not regulate the interest rates. Japanese companies, which are not allowed to place deposits on the money market will be allowed to buy the CDs.

The issue of yen CDs will be n "ln-in" business; only Japanese resident banks will be

allowed to issue them and the proceeds must be lent domestically. Investors must also be domestic (though it is not clear whether foreigners will be able to buy them through a second-ary market). Maturities will be allowed to range up to one year but the vast bulk of activity is expected to be under six months. Rates will be close to money market rates.

Among the questions which remain to be settled is whether

the Japanese securities com-panies will be allowed to trade the CDs.

The launching of this market is regarded in many quarters— not only Japanese—as a break-through not least because of through, not least because of the liberalisation of the domestic interest rate structure which it implies. Its progress will certainly be watched very

The launching of a CD market in Luxembourg has been made possible by changes in taxetion passed by the Luxembourg Parliament in November. Freviously the existence of a stamp duty and a withholding tax had not made it worthwhile for banks to consider CD issues

However, the launching of a market is not expected overnight. The matter is currently in the hands of the Luxembourg Banking Association and the Banking Commission. The intention is that before any bank starts issuing CDs, regula-tions will be devised which ensure an orderly market, with the quality of the issuer being completely maintained.

The preparation of the frame-work for the market is likely to take most of this year and its launching is not expected before next year. Despite Luxembourg's role as the main cantre for Euro-D-mark business, CDs issued in Luxembourg will be denominated only in dollars since the Luxembourg authorities and banks will certainly not flout the Bundesbank's wishes.

ondon

In London a big talking point among dealers at present is the possibility of being allowed to make markets in CDs issued by banks outside London. Hitherto the Bank of England has only licensed dealers to trade in issues by London banks because it wants to ensure that the quality of paper traded is maintained. Dealers may buy other international financial markets CDs for their own account, but last year involved preliminary private deals are all that is moves by the New York branch allowed and no exemptions from

prompted the hope that these regulations might be relaxed was the likelihood of a CD market being opened up in Luxembourg. As Britain is a fellow member of the EEC dealers feel that the Bank of England might well find it diffcult to prohibit London dealers from making a market in CDs issued by banks in Luxemborits. By extension from this, they hope that the trading of CDs issued by banks generally else-where would have to be allowed

current thinking the opening up of market-making would not be likely even were Laxenbourg to come on stream. There are still plenty of examples of exchange control continuing in operation even viza-vis the EEC.

Mary Campbell

1:15

Leading centres

DESPITE THE vagaries of sterling and escalating operating costs in the City, London's predominance as the major Eurocurrency centre remains. This achievement is all the more remarkable because the market's gross size has nearly doubled between 1975 and 1978 and new centres have been developed in the Far East, Middle East and

Although Britain's share of the total Eurocurrency cake has decreased marginally in the past three years, more business is still booked in London than in its three closest rivals — Belgium / Luxembourg, Bahamas/Cayman and Franceput together.

The prospects for London

maintaining its pre-eminence remain favourable. Last year, for the first time in four years, London's share of the total Eurocurrency market showed a frac-tional increase. Foreign banks continue to expand their City operations. In particular several Canadian banks, traditionally active participants in the Eurocurrency market, and some Dutch and German banks have development plans.

The fastest-growing Euro-

EUROMABRET SHARES (% September 1978) **EUROPEAN CENTRES 72.3** Belg.-Lux. France W. Germany Netherlands Switzerland OTHERS

Bahamas and Caymans Bahrain Hong Kong Panama. Singapore

reasons a large part of their international business is booked their Luxembourg subsidiaries, and the strength of the Dautsche Mark visa-vis the dollar. It is thought that by the end of 1978 more business was done in Belgium and Luxembourg together than in the Bahamas/Cayman, making these two Continental centres second only to London in importance.

The zenith for the Bahamas/ Caymans appears to have been in 1976, since when these two Caribbean centres have lost market share. The possibility of establishing an offshore centre lose little.

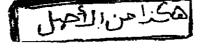
share. Business could be switched easily to New York, where most of the banks' existing facilities are based.

Growth in the amount of business conducted through Hong Kong has been faster than that in Singapore, although from a smaller base. There are signs that Hong Kong is about to experience a further surge of activity. The lure of lending to China and the continued demand for funds from Far East borrowers bodes well for the colony. Several European and American banks are currently refining plans to boost their presence in: Hong Kong. Market sources sug-gest that the figures for the: amount of Eurocurrency business arranged through Hong-Kong may be grossly underestimated as a large chunk is actually booked in other centres. such as the New Hebrides.

In the Middle East, Bahrain continues to consolidate the 1975 and 1977, when the centre's share of the total Eurocurrency. market grew sixfold.

It is difficult to estimate the possible impact of establishing an offshore centre in New York on the current pattern of Euro currency business though most

Rosemary Burr



Currency sectors

Deutsche Mark

DEUTSCHE MARK denoming for eigners easier than was the ated bonds accounted for 26 case with Swiss franc-denominguated paper. On more than one issues last year, a record which must be set against the back-back of an alling dollar and of an alling dollar and the same story thoughout the package of the page must be set against the back-ground of an ailing dollar and substantial rises in U.S., and dollar-denominated. therefore Eurodollar interest rates. Although the Eurocur-rency climate has been less kind to the DM sector in recent weeks, the strength of domestic currency has enabled German banks to carve out for themselves a much more important chunk of new issue activity than ever before.

But it was not all plain sailing in the DM sector last year. ing in the DM sector last year. larly, usually once a mouth. Its Regular bouts of investment major concern is to maintain indigestion occurred, for differorder in the Deutsche Mark indigestion occurred, for different reasons, but overall activity both in new and seasoned issues remained at a high level.

Gross new issue volume in the Eurobond markets fell last year essentially because of the sharp decrease in new U.S. dollar-denominated issues. This reduction was a reflection of following month amounting to the increasing reluctance of only DM 330m. investors to take on paper in a currency which was deprecting and at a time when the previously. The sub-committee long-term yields obtainable on also agreed that it would review dollar-denominated bonds were the terms of all new issues one below short-term interest rates. day before the day of the issue. Investors bought DM bonds because the currency was issues climbed steadily from viewed as strong and access for June onwards until towards the

was greater than those of

All DM bonds issued by foreign borrowers raising more than DM 20m are informally regulated by the Foreign Issue Sub-Committee of the German Central Capital Market Com-mittee. The sub-committee, which includes representatives of the principal German issuing banks and a representative of the Bundesbank, meets reguforeign bond market; it approves the volume of new issues and establishes calendar.

Last May it decided to close the new issue market for a month and when it agreed to reopen it on June 20 it approved

This figure was less than a The approved volume of new

one notable development: a bankers can only sit tight and greater variety of borrowers wait.
were allowed to tap the market, per

The reasons for the bouts of indigestion, which occurred regularly, varied. The sheer size of the new issue calendar was sometimes blamed. In one instance Deutsche Bank, which dominates the new issue business chose an unpropitious vertibles. The Japanese were attracted by the low coupons available, but they took a long time to accept the need for coupons on individual convertibles to be increased when they happened to be launched just after an increase launched just after a ness, chose an unpropitious in German domestic rates, moment to start unloading These difficulties seem DM500m of Canada bonds which it had taken on to its books in

the spring.

A more frequent cause of denominated bonds than DM weakness, which aggravated the problems caused by a heavy new problems caused by a heavy new quarter.

The meteoric rise of the problems caused by a heavy new issued volume, related to the coupons offered to the bor rowers. Every time the gap performance last year of the between German domestic and Tokyo Stock Exchange initially foreign bond rates widened, the foreign bond sector suffered. Usually a few days were enough to put things right.

adverse effect on the DM sector. This was particularly true after

last summer. most of last February. When The increase in the volume of the weakness of the DM sector DM paper was accompanied by arises out of this German

were allowed to tap the market. Perhaps the most original in particular some from less development in the DM sector developed countries or "exotic last year was the surge in borrowers" as bankers call DM-denominated Japanese convertibles. The Japanese were

have led the Japanese into announcing that they intend to float more Swiss franc denominated bonds than DM

a speculative basis. Conditions to put things right.

A stronger, or simply more fewer such convertibles are stable, dollar also had an planned for the next quarter.

Francis Ghiles

Swiss franc

THE RECENT weakness of the of a signal to other govern-Swiss franc market emphasises ments keen on becoming Swiss Swiss franc market emphasises its new attraction for the borrower. Money is very was that of the Canadian and cheap in almost inflation-free. Australian authorities, each of Switzerland, while the currency which announced a three-prong is much more stable than last year and well down from September's giddy heights, In addition, January saw the lifting of the restrictions on nonresidents' purchases of Swiss franc securities. The scene was set for a new series of foreign

In fact, even in the uncertain days of 1978 the Swiss capital market had hardly been neglected by outsiders. The nominal value of new bond issues rose to a new record of SwFr 4.43bn, as compared with SWFT 4.550h, as commared with SWFT 3.75n in 1977, while private placements remained very high at SWFT 95n (1977 SWFT 9.350h). When the volume of bank loans to foreign addresses is added, the total value of foreign borrowings ncreased to an all-time high of SWFr 21.9bn, the equivalent at turrent exchange rates of some. 313.27bn. Against this must be set a record volume of redempof bonds alone rose in the 'oreign-borrower' sector from SwFr 1.93bn to SwFr 2.98bn.

This year got off to a speciarular start, with some very big transactions indeed, By far the largest was January's issue of rather over SwFr 2bn of "Carter bonds." Well over half of the issue alone seems to have gone to the top three commer-cial banks, which have been having great difficulty in invest-log their rapidly growing liquid

franc debtors. A new approach borrowing made up of a public bond issue, a private placement

and a bank loan.

New Zealand has borrowed SwFr 120m at 3½ per cent, Den-mark SwFr 100m at 3½ per cent and the Philippines SwFr 50m at 4½ per cent, all within the first eight weeks.

There is now a certain doubt interest rates. In the so-called "Trudeau Bond" issue, the issuing banks talked the Canadians out of making-SwFr the market. Instead, the tenyear bonds—equipped with the "fine-tuned" coupon of \$1 per to be very much in favour of cent—will now amount to only swfr 300m, the missing compglsory conversation of Swfr 200m being offset by a proceeds into dollars, the

Grave misgivings have been connection Japanese plans to float no fewer most of them convertibles.

though interest levels are on their way up. Whether other industrials will be able to get away with the 31 per cent coupon ICI Finance (Nederland) attached to its large in the market, however, as to just how much in the way of large-scale governmental issues can be borne, at least at present back on the market demand is short of dramatic. There is also pressure on the domestic bond market, where some recent borrowers have seen their issues 500m of the SwFr 1.5bn total under-subscribed or reduced; horrowing a public bond offer interest rates are expected to for fear this might overstrain rise from their mid-fittles levels

corresponding increase to National Bank is able to finance SwFr 700m in the bank loan. a considerable part of its largea considerable part of its largescale interventions on dampen the Swiss franc parity. than 42 medium-term note There is no talk of the mone-issues in the private placement tary authority reverting to its sector in the second quarter, former practice of limiting the amount borrowed by non-resi-It looks very much, too, as dents.

> New borrowings will continue, however, to be partially offset by very large redemptions, many of them long before original maturity dates.

> Meanwhile, Swiss remain active in the "outside" Euro-market, mainly acting through various foreign subsidiaries. They are still less than happy about their opportunities for direct participation though. The Swiss Bank Corporation (SBC) points out the negative effect on Euro-bond trading of the 50 per cent increase in turnover duty as of April 1 last, as a result of which secondary market business largely moved

> > John Wicks

the market for samurai bonds through the latter half of 1978 have yet to clear, and. despite signs of strong interest on the part of foreign borrowers, this year may prove even more difficult than last.

.The reason for this uncertainty is that the Japanese

several trillion yen more than in the fiscal year which ends on 31 next. This huge official burden for the market will be made even heavier by the prospects of greater demand for funds from the corporate sector if the economy picks up later in the year.

The market was given a psychological boost when the Government finally consented to raising the yields on its longterm (10-year) bonds from 6.1 unds.

Government is planning to issue per cent to 6.5 per cent from
The success of the Carter more than Y15.000bn in bonds last March. Prices have become acted as something to finance its national budget, steadier, but this will have little

the samural market which is the only sector in Japan where pricing reflects directly conditions in the secondary markets. Yields there have risen almost uninterruptedly since last summer. By the time pricing negotiations for issues were being set at the highest levels since the summer of 1977.

Last year there were 29 issues of yen bonds by foreigners total-ling about Y722bn. This was up sharply from the prior years total of Y296bn but well below expectations. Government has encouraged yen borrowing in order to bring into balance its international pay-

Following an absence of issuers in January, from February onwards there have been bonds floated by Brazil and the Interamerican Development the Inferamerican Development Bank. By the end of March the U.S. group Sears Roebuck and Co. will become the first private corporation to issue an uncoursed samural bond (Y20bn-form farm of five to seven years) and Cangda will issue Y30bn in five-year bonds.

In April Denmark plans to icone 3000, Austria Y2000 and the Finnish public power corporation ¥10bn.

Japanese underwriters report hat interest in yen bonds for hav issue have surged. There were applications amounting to Violin This will be divided into a Swedish issue of V20hn and a Norwegian Y40hn five-year issue Teches by Theiland (Vichn), Indonesia (Vi5hn) and New Zaaland (Y40hn) will follow in

The outlook for the market conditions is fairly stable for April and May, partly as a result of the raising of Government yields, but underwriters are fearful of what will happen after that when the Government actually begins floating its bonds in carnest Yields are still tend-ing upward.

The only really new feature in the samural market this year is the Sears issue. The securities and banking sectors in Japan went through a long debate over whether the custom of requiring honds to carry bank gurantees should be waived for qualified companies.

The debate ended in February when the Ministry of Finance gave the go-ahead for Sears. clearing the way for Matsushita Electric Industrial to plan for April the first domestic unsecured bond since 1933,

Only one other Japanese company. Toyota Motor, qualifies under the standard being used to rate companies. There are a number of U.S. companies which qualify, but so far only Sears has shown any interest in coming to the Tokyo market.

Richard Hanson







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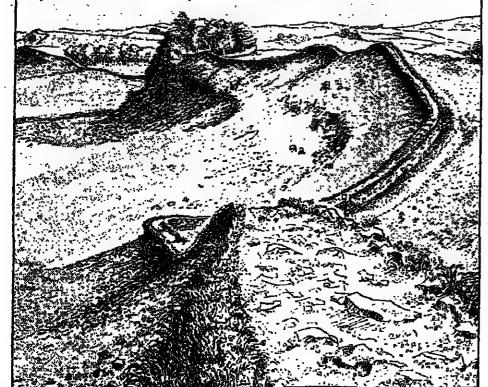
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EUROMARKETS VIII

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Representátive Offices

Sterling

issue was made for Amoco in 1972 but this £10m issue proved the last for some time. It was not until the autumn of 1977 that the required combination for success again appeared; a good enough outlook for sterling to entice the investor and a low

domestic bond market was still well into double figures. External sterling was, moreover, directly convertible into foreign currency. The combination led to keen interest in this new source of finance, and, quite quickly, to a flow of new issues which the market could not

During this first revival the yield level on Eurosterling was Finance for Industry. The substantially below that on gilts coupon was 13 per cent, thus of corresponding maturity. The extreme example was the 15-year issue for the European Investment Bank. This yielded 9.78 per cent—two points below the equivalent gilt. This yield gap was said to be due to the advantage of a bearer bond it will only be borrowers with where the foreign investor rather special requirements benefited from tax exemption on which will raise long-term

SO FAR £295m has been raised through the issue of external sterling bonds. The first such with the British authorities. The novelty value was cited as another reason.

The subsequent history of

both the primary and secondary markets in Eurosterling bonds has probably removed much of this margin below gilts. The fluctuating fortunes of sterling, Indeed the yield level for Eurosterling in 1977 was at or below the 10 per cent mark below the 10 per cent mark. It and investor. Bursts of issues was thus down—just—into an have been followed by bouts of served a neutral attitude to the area where British corporate treasurers were willing to entertain the idea of fixed rate entertain the idea of fixed rate long-term finance, while the —have moved in sudden jerks means that the Bank is informed to the long term finance, while the —have moved in sudden jerks means that the Bank is informed to the long term finance, while the —have moved in sudden jerks means that the Bank is informed to the long term finance. and have dropped to levels which appear bad in any list of Eurobond prices. At the turn of the year issues floated before the primary market shut in April, 1978 were trading mostly in the low eighties.

It was against this short and unsettled history that the Euro-sterling market reopened in March with a £15m issue for taking the market up to a new yield level and, incidentally, one that was very much in line with prevailing gilt yields.

Unless interest rate perceptions in British industry have changed radically it seems that

money at this rate. FFI is such a case: it makes long-term loans to small companies. The European Investment Bank and the European Coal and Steel Community are other obvious candidates. Nevertheless, at the time of writing it appears that

borrowers are holding out for

better terms.

Whereas the French authorities have regimented the Eurofranc bond market in the interest of an orderly flow of issues and a lack of disasters, the Bank of England has preof impending issues and can take informal action to warn issuing houses of any bunching of issues

that might take place.

Nothing that has happened so far in this market has changed the Bank of England's mind on this-there still does not appear to be any thought of introducing a "quening system" for new issues. The banks do not want such a system, and the Bank of England prefers to let them have their successes and their failures under its watchful eye. It does insist, however, through the network of major central banks, that Eurosterling bond issues are lead-managed by a bank authorised to operate in

Guilder

THE EUROGUILDER note last four years or as one final market is the cautious but successful Dutch response to the maturities are also permitted international capital.

The Dutch central bank exercises tight control, but the major issuers say they do not find this irksome. A strong element of self-control is in fact built into the market given the dominating position held by Holland's two largest commercial banks and their merchant banking subsidiaries.

The Nederlandsche Bank gave its approval for the setting up of the Euroguilder note market in late 1969 following the revalua-tion of the Deutsche Mark which diverted capital into the guilder. Worried that this would upset domestic monetary policies and increase inflation the central bank allowed the establishment of a new market, almost completely sealed off from the domestic capital market

The defensive origins of the Euroguilder note market have made it the most tightly supervised segment of the Eurobond market. The issuing banks, together with the central bank, maintain strict controls on the quality of borrowers. The maximum permissible maturity maximum permissible maturity on an issue is put at F1 50,000-is seven years, repayable in four F1 75,000 (\$25,000-37,500), with equal instalments in each of the

challenge posed by flows of but they are limited to one final

capital repayment. Issues must be lead-managed by one or more Dutch banks with up to two foreign banks taking part in the management syndicate. Dutch institutions must outnumber the foreign banks, however. All but three of the 107 outstanding issues were managed by the four main issu-

· Notes issued by foreign horrowers may not be sold to Dutch residents in either the primary or secondary market, although notes from Dutch borrowers may be sold to residents. The central bank has become more flexible on the question of size and Norway has issued several Fl 100m bonds.

ing houses.

been restricted to Fl 75m. Euroguilder issues are not underwritten but are sold on a best effort basis. There is no listing on any stock exchange and no prospectus is issued.

Other borrowers have so far

This lack of documentation puts a special burden on the issuing banks to establish the quality of the borrower but it also lowers costs. The outlay

1 per cent goes to members of the placement group and a half per cent to the management

The secondary market is main tained by five or six Dutch banks, although foreign banks will occasionally also make a market in a new issue. Up-to-date listings of the bonds, their prices and yields are published by the issuing banks,

New issues in 1978 numbered 10 with a total value of Fi 770m (\$385m) compared with nine issues the year before worth Volumes Fl 670m. year will depend on the strength of the guilder and interest rate developments.

If these are favourable and the growing balance of pay-ments deficit raises a large query, then 1979 could be an active year for new issues. With 34 bonds maturing this year, 16 of them issues repayable in one final sum, the borrowers may want to renew their Euro-guilder portfolios. In one banker's view the queue for domestic notes may prompt the central bank to allow two Euroguilder issues a month instead of the current limit of only one. The central bank is anxious though that the guilder does not become a reserve currency.

Charles Batchelor

French franc

THE FRENCH Treasury decided national ambitions in the Eurolast September to reopen the franc market. The Treasury has French franc sector of the Eurobond market which had been new issue calendar and has laid closed for more than two years. Some French bankers would have wished this decision had been taken earlier: after the general elections in March, 1978, which confirmed the ruling coalition in power, fears evaporated about the possible effects of a Left-wing victory and what it might entail for the economy and the currency.

The franc's strong performance since then is also explained by other factors. The Prime Minister, M. Raymond Barre, initiated a policy which liberalised prices for the first time in post-war France. He encouraged the restructuring of large sectors of the country's economy, even at the cost of a of the highest quality. big rise in the number of unemployed, and he sought to rethe deficit in France's trade balance.

Nevertheless, when it came to reopening the French franc sector the authorities moved, with the utmost caution: Officials-

down that about one new issue every month is as much as the market will bear.

The tight rein on the new issue calendar which the Treasury keeps should help to ensure a stable market. This will take time as activity in the secondary market is growing, but is still not very great.

In a recent interview, M. Jean-Yves Haberer, Director of the Treasury, underlined three factors which he felt were important. First of all, this sector should have no adverse effect on the French balance of payments; the amount of the new issues should be of medium size; and, third, that issuers be

In the event the quality of borrowers has proved to be no problem. Borrowers have been queueing up to float, French Franc denominated bonds and, as M. Haberer put it: "We are not supplicants.

The mix of borrowers so far pointed out that France had no has been very eclectic, including

such high-quality names as Unilever, Peugeot-Citroen and Norway. Most issues have performed well in the secondary market which until late February was friendly.

The weakness of the franc which developed late that month and the closing of the new issue domestic market requested by the Treasury because of rising interest rates, cast a shadow on the foreign franc sector. An increase in the volume of new issues would appear to be ruled out for the time being. Having taken two years and more to reopen the market, the Treasury has no wish to be forced to

close it. In private, senior civil servants in charge of the markets point to the disaster which befell the Eurosterling sector last winter. They add that they have no wish to preside over a similar course of events in

While no one in Paris or outside France expects the French franc sector to grow to the point where it rivals the major areas of activity in the Eurobond markets, the French authorities and bankers feel pleased with the achievement so far.

Kuwaiti dinar

confidently expected to reach KD 200m in 1979. This sector, while it does not pretend to compete with the dollar or Deutsche Mark, has nevertheless witnessed a steady progression since it started in 1974. In that year the new issue volume was KD 75m; by last year it had risen to KD 154m.

Over the years the market has become more sophisticated. The amounts borrowers can raise now average RD 10-12m, double the figure of a few years ago. Maturities have been stretched and more banks are involved in the managemen The final seal of approval from borrowers came when the City of Oslo floated-a KD 10m issue last autumn.

This issue, the first ever for triple A rated borrower in Kuwalti dinars, has helped to dispel the suspicion that only borrowers with less than perfect credentials find it necessary to tap this market. True, in 1974 Oesterreichische Kontrollbank (Austria) did arrange a KD 5m issue but the overwhelming number of borrowers came from the Third World. Further issues for top quality F.G. borrowers, and possibly one for trading. Two years ago the

The advantages of raising KD-denominated bonds stem from the stability both of interest rates and the currency. which is tied to an undisclose basket of currencies in which the dollar is believed to play a major role. Kuwait has a strong vested interest in a stable currency as years capital surplus have led its Government and private investors to invest heavily over-

Since 1974 the KD has appreclated by about 10 per cent against the dollar, a far cry from what has happened to the accepted leading strong curren-The stability of interest rates in the KD sector is a very attractive feature for borrowers at the moment; a borrower can raise KDs at rates two basis points cheaper than in the dollar sector of the market.

This gap will increase if Eurodollar interest rates continue to move up while those on KD borrowing continue their gentle downward trend.

The Kuwaiti banking com-munity has also been working hard to help widen the market. both in terms of banks involved

in launching issues and in

THE NEW issue activity in the a good U.S. corporate name, are Kuwait International Invest. Kuwaiti dinar bond market is expected later this year. Kuwait International Invest. ment Company (KIIC) and the established the Arab Company for Trading Securities (ACTS) to trade KD bonds.

Last year Kuwait Investment Company set up its own trading operation and KFTCIC (Kuwait Foreign Trading Contracting and Investment Company) is expected to follow soon. Bankers see a more active secondary market as an important development. So far only a handful of banks in London make a market in 32 of the outstanding KD

The number of Western-base banks now beginning to take an interest in KD-denominated bonds would seem to suggest that demand for such paper is increasing. But bankers outside Kuwait remain convinced that most of the bonds are placed with Gulf customers.

If U.S. dollar rates continue to move up, the attraction of KD-denominated paper and the lower coupons it affords to the borrower should increase. War a growing depth to the secondary market and a few well respected names on the new issue side, 1979 could prove to be a breakthrough year.

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Non-national currencies

THE FOREIGN exchange mar-ing facilities denominated in ket upheavais last year provided these units. ket upheavals last year provided the conditions for renewed interest in bonds denominated in currency units which are not the currencies of any single country. One bond denominated in the International Monetary Fund's (IMF) monetary unit, Fund's (IMF) monetary unit, the special drawing right (SDR) was launched, while the volume of bond issues denominated in units of account picked up a bit from the very low levels recorded in 1977 and 1978. A second SDR issue was launched lest reached. last month.

The theory behind borrowing or investing in bonds denomi-nated in non-national currency units is that the risk of loss through the changes in a single currency's value against other argument comes to the fore most at times of currency that in addition to the somewhat increased value of issues, more banks are now offering commercial deposit and borrowOther arguments currently

being put forward in units' are the moves to favour implement account at the IMF (whereby countries' dollar-denominated reserve holdings would be substituted by reserve holdings denominated in SDRs) and the last week's implementation of a European Monetary System (EMS) which includes plans for a European Currency Unit. The world, it is argued, is currently taking big strides towards much greater use of non-national currency units.

To some extent there is no doubt that the argument holds water. The fact that the Nordic Investment Bank has its capital denominated in SDRs is quoted as a major reason for its decision to make a Eurobond issue denominated in SDRs. Conversely, the central banks seeking to avoid losses in the value of their reserves might be investments denominated in the

special drawing rights in which their reserve holdings expected to become increasingly denominated.

The basic argument against hoping for the brave new world non-national currency units ample-their track record. They have been around a long -indeed it is arguable that the first ever Eurobond issue was one denominated in units of account in 1961. It is over seven years since the breakdown of the Bretton Woods system. Six years ago this mouth the dollar was effectively floated, for good it seems.

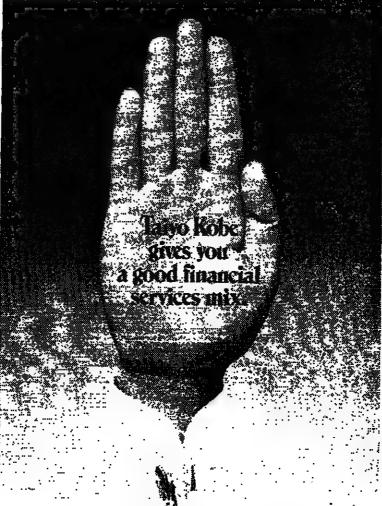
But SDRs and even units of account have played no more than a tiny role in the burgeoning international financial business. Any argument which has been put forward in favour of these units in the past should surely have shown fruit by now. (It is even arguable that a feature of last year's upheavals was the relatively small increase interest in the non-national currency unit option.)

enthusiasm for these instruments. However, the Euromarkets have proved time and again that where there is a will a way is usually found and it is difficult not to conclude that their failure to catch on is due to something more basic.

One factor which has probably been significant is that the international investment community generally is the opposite of risk averse when it comes to currencies. A notable feature of every currency crisis is a surge into bonds denominated in the favoured currencies. The same is true of the money markets.

Another and perhaps more threatening argument against term is that insofar as the idea currency diversification is catching on, it is already being implemented on an individually tailored basis by each trader/

M.C.



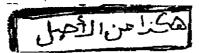
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Debtor nations

E TWO big changes in country debt trends the late 1960s and early 1970s were the tch from international agency lending to imercial bank lending and the multiplica-i of the size of country debt in the wake of 1973 oil crisis.

Between them, these two developments ed off the idea of bank lending to countries something to be repaid, and made national t denominated in foreign currencies a persent feature of international and domestic

The big change of the last couple of years been the growth in significance of the cept of not debt-borrowing less foreign hange reserves. This has been accompanied wider emphasis on external financial vulnertity instead of on traditional debt service

os.

The first big borrower consciously to pt a policy of building up its debt beyond probably Brazil. In 1976 essary levels was probably Brazil. In 1976 Paulo Lira, the head of the central bank, ressed a series of seminars round the world explain that what Brazil considered ortant in debt management policy was not nuch the total size of the debt but what he

ed the coefficient of vulnerability. In English which even the English can terstand what he was basically saying was t it is no good having marvellous prospects paying off debt from exports in a couple years' time if you have not got the money ervice existing debt between now and their

In such a situation a borrower is vulnerable to either a 1974-style crisis in the market or to bankers' lack of faith in export prospects. This might well lead banks to refuse to roll over credit and effectively destroy economic and even social plans for years to come.

At that time Brazil's balance of payments

was not good, its capital expenditure programme was ambitious and its debt was already large. Reflecting on all these three factors it was proposing to borrow a great deal more money and its theorising on debt was regarded by hard-headed (though basis ally positive) bankers with some scepticism. But since then the explosion of international liquidity has moved the markets in Brazil's direction. De facto if not always quite intentionally a large number of countries have adopted Brazil's policy of maintaining a large cushion of cash and increasing their gross debt much faster than their net debt.

Although some spore cash balances have been invested in bonds (especially D-mark, Swiss franc and yen bonds) the vast majority has been redeposited with international banks. The accompanying chart showing how the growth of gross lending outstripped net lending in 1978 gives some indication of the spare ing in 1978 gives some indication of the spare cash which has been built up not only by the

public sector, but by countries as a whole.
It is worth noting that while the non-oil
less developed countries (LDCs) outside Europe were the first group to start pushing up their gross debt faster than their net debt,

Eastern Europe is still doing the reverse. Turkey's crisis, which combined shortterm debt structure problems with lack of foreign exchange reserves (as well as basic economic problems), has gone far to emphasise the importance of the maturity structure of debt and cash availability. But generalised adoption of the concepts of net debt and the coefficient of vulnerability still has far to go. Whether through conservatism or long-sighted prudence, the International Monetary Fund (IMF)'s guidelines on foreign borrowing by

the rate of increase of gross debt. Although bankers involved in lending to Iran have recently been comforting themselves with the fact that its foreign assets exceeded never been formalised to the extent of banks' country limits on loans being after allowance

countries which owe it money habitually limit

for redepositing.

But while the growth of cash balances in the hands of big debtors goes far to eliminate the short-term likelihood of more "Turkeys," it carries with it the seeds of potential longerterm problems. The denger is that governments of cash-rich but debt-ridden countries might be tempted to allow their constituents to spend foreign exchange balances on

consumption.

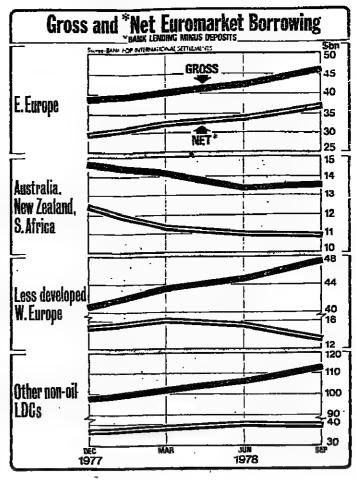
This would be in a situation where the balances' very existence would mean that the country concerned could avoid going to the IMF until the fundamental economic problems needing adjustment were much worse than would have been the case without them. Such situations would be more troublesome than that of Turkey where most of the foreign exchange was borrowed short-term at the same time as, rather than in advance of, being

Such a crisis would be more difficult to prevent and more difficult to cure than that of Turkey, where the banks really had only their short-term greed to blame for their problems (the front-end fees on their loans were very high). It is to be hoped that given the much-improved information flows now availabie, such a case will not recur.

The crisis in Iran may point the way to one kind of solution to the new problems. The lesson of Iran in this context is that bankers must be prepared to impose and use clauses allowing them to call a default if there is adverse material change in a country's aconomic position.

This sounds much tougher than it would be in practice, since individual banks are notoriously reluctant to put countries into default because such action destroys future relationships. But it would at least give the banks some technique for preventing wholesale consumption of foreign exchange reserves in the absence of any cut in debt.

Mary Campbell



Comecon bloc

CENT MONTHS have seen a prices to Comecon customers currency exports and reduce to of warnings from bodies has already led to a major shift imports. The particularly horsh in the terms of trade of its winter in Poland, East Germany OECD which have taken a se look at the size and shape Comecon borrowing from the st and been rather worried what they have seen.

'he main problem is that a ge chunk of borrowing into during the first f of this decade matures this r and next, while the hard rency exports which were posed to finance these rements have not materialised the way which the borrowers

the around 50 per cent of its bankers who point to the efforts d currency earnings from currently being made through-sale of oil and gas to the out Comecon to cut back on st, is reluctant to increase imports from the West and oil sales to Comecon. This reduce growth targets. rl oblige Comecon to seek reasing amounts of oil from d currency sources or, what Soviet Union in hard rency for above-quota oil

- he steady rise in Soviet oil

tion in the terms of trade visa-vis Western markets, where industine prolonged recession and the year. imposition of quotas and other and quantity of Comecon exports below target while the cost of machinery and other imports from the West has con-

tinued to rise. It is on the basis of long-term trends like these that East Western research institutions exclusi cooking further shead, most like the Vienna-based Institute the Comecon countries, with of East-West Comparative exception of the Soviet Economics have prepared forceion itself, also face the casts which predict a continuing lous problem of how to rise in Comecon indebtedness.

Ince the expected rise in oil But estimates of a total corts from OPEC and other Comecon debt of some \$200bm d currency sources. The by 1990 tend to be treated det Union, which currently sceptically by many Western

> Retrenchment is the key word in several Comecon countries this year. Countries like Poland, down in incomes growth and

in the terms of trade of its winter in Poland, East Germany Comecon partners. This is in and the Soviet Union has also addition to a similar deteriora- added greatly to their energy problems and hadly dislocated industry at the start of the

Despite warnings to bankers barriers has kept both the price of the present and projected problems, however, the overall volumes of Comecon debt rose substantially again last year. According to the latest Bank of International Scttlements statistics, hank borrowing by East European countries, exclusive of lending by West German banks to East Germany, rose from \$30.1bn in September 1977 to \$46.1bn by the end of September 1978, while their deposits with Western banks rose from \$6bn to \$9.4bn. Unofficial estimates by leading international banks indicate that Comecon total gross indebtedness is now approaching \$60bn, up from around \$53bn at the end of 1978.

Comecon borrowing through the international bond and medium term Euro credit markets, however, was relatively restrained last year: the bulk of Hungary and Czechoslovakia in the new debt was in the form particular have announced cut- of short term bank lending and export credits. In a period when the total volume of borrowing renewed efforts to boost hard on these markets rose over 2:

per cent to \$104.4bn, figures stood aloof and refused to add issued by Morgan Guaranty Trust indicate that Comecon borrowers raised only \$3.79bn, just \$150m more than the \$3.64bn raised in 1977. This was only 3.6 per cent of the total, compared with 4.9 per cent in

One of the reasons why the total did not rise much above 1977 levels was the sharp drop in borrowing by the Comecon institutions, the International Investment Bank and IBEC. Such borrowing dropped from \$1.1bn in 1977 to only \$500m last year. This partly reflects the hiatus in new joint Comecon-financed projects now that the Orenburg gas pipeline has come into operation and work is well advanced on the Ust-II!msk paper and cellulose plant and other joint ventures.

The Soviet Union in particular took advantage of high liquidity in the Eurodollar market to restructure its debt profile by repaying ahead of schedule some \$850m of earlier debt contracted at higher spreads. Hungary also took advantage of the highly liquid market to raise two \$300m Eurodollar loans at very fine margins, and most other Comecon borrowers also managed similar loans.

American banks, however

any further Comecon paper to their portfolios at the spreads of a per cent above Libor prevailing on the Hungarian and other loans. Several European banks also showed resistance but the slack was taken up by Japanese banks, which are playincreasing role in Comecon finance generally both through conventional Eurodollar

finance and willingness to extend large export credits. Leading American banks did, however, decide to play a major role in the \$500m Eurodollar borrowing sought by Poland, which is by far the most debt-ridden country in Comecon. Higher spreads, hefty commission fees and a commitment to provide extensive information on the state of the economy, the balance of payments and the full debt profile were part

of the price for further lending. Indeed greater disclosure is becoming very much the name of the game in Eastern Europe. Up to now statistics have been patchy to say the least, as Comecon borrowers have taken full advantage of the full range of credit possibilities ranging from government and supplier export credits to international bond issues and Eurocurrency

Mexico

MEXICO HAS been the biggest assuaged bankers' mushrooming had fallen to 12 per cent, turn-around situation in the fears. Moreover, the oil miracle

There are no official estimated to 12 per cent, the oil miracle of the Miracle of t international capital markets in the past couple of years. At the end of 1976 the new administra-tion took charge against a background of a sharply devalued peso and one of the two largest country debts in the Euromar-Big private companies were effectively defaulting on their foreign currency commit-ments while the structure of Mexico's public sector debt was dangerously weighted towards

the short term. Now, hardly two years later, the economy is booming, the current account deficit has been halved, the structure of the public sector's foreign debt has been considerably improved, and perception of Mexican risk been so transformed that private companies are in the forefront of the foreign borrowing activity.

Whether Mexico, with its political ties with the U.S., would ever have gone the way of Turkey is questionable. But the cause of the transformation in its fortunes was different. Announcement of massive upward revisions of Mexico's crisis at the end of 1973 19 per oil reserves came in the nick of cent of the total was due to be time—at the end of 1976 and repaid within one year, by last

was to come on stream almost immediately: production in-creased by 24 per cent in 1977. 22 per cent last year while the officially forecast increase for this year is 31 per cent.

Oil exports rose by 115 per cent in 1977, 77 per cent last year and are officially ferecast to rise by 102 per cent this year. At the same time, Mexico's foreign borrowing has been

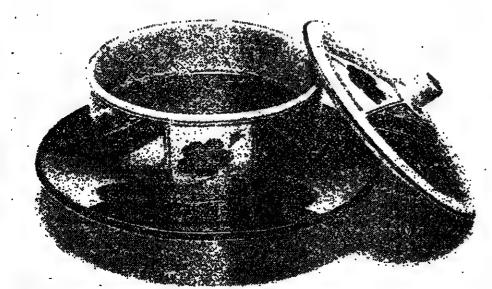
modest by many standards. The International Monetary Fund (IMF) has limited the annual increase in the public sector's foreign debt (including shortterm debt) to \$3bn, a limit which continues to apply this year. And while Mexico has borrowed several billion dollars a year on top of this to refinance maturing debt, the \$3bn limit has more or less stuck.

Thus the public sector debt reached \$24.6bn last June and probably around \$26bn at the end of last year. The improve-ment in the maturity structure is illustrated by the fact that whereas at the height of the Anthony Robinson early 1977—and it completely June the short-term proportion

of the size of the Mexican private sector's foreign debt which was at the forefront of the 1976 problems. The best guess available is an estimate (on the basis of interest payments) by the Association of Mexican Bankers of \$64bn at the end of 1977. There is no question but that the figure has risen sharply in the past nine

Not least because of the very heavy investment in the oil development programme which is feeding right through industry. Mexico's real growth rate rose from 2 per cent in 1976 to 2.8 per cent in 1977 and 6 per cent last year. Forecasts for this year are for a further rise, to around 7-73 per cent. Even if it wanted to, the domestic capital market could not cope with the finance implied in these rates of growth (and recently, the Mexican government has been draining the comestic capital market in an attempt to cut indation). Since about the middle of last year private sector Mexican companies have turned to foreign sources of tinance in a big way.

M.C.

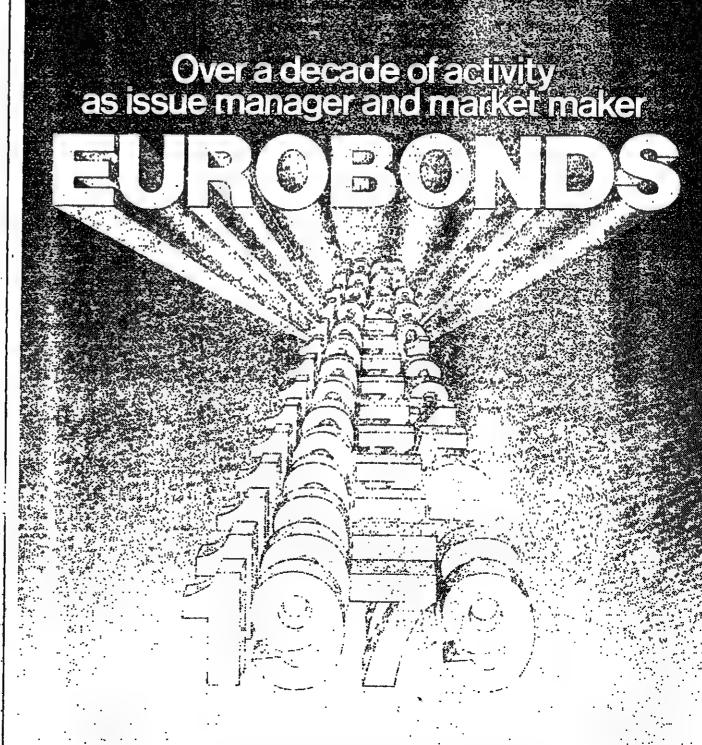


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Debtor nations-(continued)

Nordic countries

Denmark, Finland, Norway and Considerable uncertainty is as restricted investment plans target for this year is DKr 6.5bn. Sweden-steadily their use of foreign capital estimates given in the 1979 markets between 1974 and 1977 and all four have borrowed heavily in Eurocurrencies. Last increased debt repayments and year, however, their combined interest charges but the Bank foreign borrowing levelled off, of Norway currently seems to although business was still large enough to attract a constant stream of bankers to the Nordic capitals.

Over the past two years central government borrowing has grown as the hard-pressed domestic industries have curtailed investments and reduced their cash needs. To supplement the European and U.S. markets, Nordic borrowers have been seeking further afield, not only in the Middle East but also in Japan. More business is being done in recycling debt. Norway has been by far the

major borrower of the four, because of the capital needed to develop North Sea oil resources, the decline in shipping income and a government counter-cyclical policy which relied in the last resort on foreign loans. By the end of 1978 the net foreign debt was approaching NKr 100bn (\$19.2bn) or close to half GNP. About one-third of the net debt was attributable to the oil sector and 20-25 per cent to shipping.

The growth in oil revenues and the Government economic retrenchment programme put share of these loans is now into effect last autumn are two entering the recycling stage.

major factors reducing Nor- Provisional estimates for major factors reducing Norwegian foreign borrowing Swedish foreign borrowing this and long-term borrowing, requirements. Using the current year suggest that it should stay Interest in Denmark of account deficit as a measure, around the SKr 10bn (\$2.3bn) the increase in total debt level to which it fell last year. dropped from NKr 28.5bn in when the current account deficit able proportions the current

increased attached to the current account national budget. These allowed for an increase to cover believe that demand for foreign loans will decline further in 1979 as a result of the fall in investment plans.

> The growth in State borrowing has characterised Norwegian operations on foreign money markets over the past three years. The Kingdom of Norway returned to the market in 1975, when it took up loans valued at NKr 44bn. Last year it at NKr 4.4bn. Last year it borrowed about NKr 10bn. Over the same period borrowing by State banks rose from NKr 500m to NKr 4.5bn and in 1978 Statoil, the State oil com-pany, took up NKr 2.3bn in

Central Government borrowing hit a peak of NKr 16.8bn last year but, according to the rather shaky estimates given in the national budget, it should shrink again this year to just under NKr 13bn. One feature of particular interest to foreign and a Y20bn issue in Tokyo. bankers is that the Kingdom of Norway has borrowed at five-year terms at fixed interest rates and with no instalments payable before the principal is due. A steadily-growing

was cut back by SKr 8.5bn to account deficit which the SKr 4bn. However, borrowing by country has been running for the state will pick up again 15 years Last year the deficit

1977 to NKr 12.6bn last year.

Considerable Tanning 107

the state will pick up again 15 years Last year the deficit

was DKr 7.7bn (\$1.5bn). The and the improvement in but leading economists have domestic liquidity will curtail already warned that the amount industry's interest in foreign is likely to be considerably

Foreign borrowing in 1978 result of the national pay talks covered the SKr 4bn current between employers and unions account deficit, some SKr 3bn which could spark off a political in debt repayments and a crisis in April. SKr 2bn increase in the currency reserves. The remaining is more than DKr 50bn and the SKr Ibn in the estimated total

medium and long-term borrow-

ing compensated the short-term capital outflow during the year. The Swedish State returned to the international capital markets for the first time in over a quarter of a century in 1977, when the National Debt Office took up almost SKr 9bn in foreign loans. Last year it borrowed only about 2bn, all of it taken up in the first half. In the autumn it refinanced the

other Nordic banks.

amortisations

FM 5.8bn.

At the end of 1978 Finland's

payments replaced by more

encompassed 16 bond issues amounting to FM 3.5bn, about

three times as high as the value

fewer than four of the 1978

issues were on the Japanese

the 1977 bond issues.

market, totalling Y50bn.

Brazil

conditions to renegotiate the

trend and went on paying much higher margins over inter-bank

rates than many less prestigious

ment programme, second to

build up a cushion of foreign

exchange reserves, and third to

foreign debt as far as possible.

at over \$40bn and the debt ser-

vulnerable. But it has also

built up a cushion of foreign

exchange reserves which is unmatched among non-oil de-

veloping countries.

At \$12bn odd at the end of

last year, its foreign exchange

holdings are about the same, for example, as those of Iran

before the crisis there broke out. Brazil's foreign exchange

reserves are big enough to cover

a full year's import bill and have given it the flexibility it

wants in its external financial

Last year the policy was

changed. Although pushing out maturities remained a high

priority the emphasis shifted to

cutting down the level of the margins paid to the banks. The ensuing fall in these margins

was one of the most spectacular in the history of the market. At the beginning of 1978, the

IN 1977, while every other 2 per cent. Now, Brazilians are

borrower was rushing to take negotiating at the level of g per advantage of slack liquidity cent.

terms of earlier, more expensive stration of General Joso loans, Brazil cooly ignored the Baptista Figueiredo took office

countries. The purpose of this in the previous Administration, was first to make sure of the remaining in a key position funds for its ambitious develop-

push out the maturity of its National Monetary Council said

Now, with total debt standing guaranteed loans must have a

vice ratio as traditionally de-grams (instead of five) and that fined at over 60 per cent, it loans would only be exempt

looks at a first glance distinctly from withholding tax if they

Spree

loans.

margin payable on state guaran- total debt service requirements

teed syndicated loans was over of approaching \$9bn.

favourable borrowing.

Imports of long-term

doubled

\$1bn loan it had arranged in long-term gross foreign debt March 1977. was just over FM 35bn However, the National Debt (\$8.75bn) and showed a net in-Office has already started to crease of FM 3.5bn during the negotiate new loans this year, year. This was about 12 per It has been looking at plans for cent lower than the 1977 ina Swiss Francs 200m loan, a \$100m bond issue on the Japanese and European markets

The financial plan accompanying the national budget anticipated a current account deficit of SKr 5bn in 1979, foreign debt repayments only slightly higher than the SKr 3bn of 1978 and a possible increase in the short-term capital outflow which would necessitate more medium

on the coalition government's efforts to bring down to reason-

Turkey

TURKEYS DEBT problems thus waged in emotive, tingoist OECD to co-ordinate have been among the largest terms. ever faced by the world comlarger. Much depends on the munity. Some \$6bn, nearly half its total debt, has had to be tidied up, rolled over or totally re-negotiated. That process is now nearly complete. But the Denmark's net foreign debt problems remain acute. In the medium term Turkey faces the National Bank's concern has prospect of having to use almost been centred on the rapid half its export earnings to sergrowth in the interest burden. vice its debt-yet already its Net interest payments have grown from DKr 1.9bn in 1976 to DKr 3.1bn in 1977 and about export earnings are only equivalent to just over its bill for oil imports alone. And in the short 4bn last year. State borrowing term Turkey desperately needs has been increasing over the a massive injection of at least past two years but the Danish \$1bn of fresh money-with banking system is far more annual further inflows of at closely integrated with internaleast that figure if growth is not to be cut back to socially tional capital markets than the

Conflict

Turkey's problems pre-date the present government of Mr. Bulent Ecevit. The scale of foreign capital rose by over one-third to FM 9.3bn while them reflects the profligacy and ill-advised borrowing record of his predecessor, Mr. Suleyman These figures Demirel But today the difficulties which Mr. Ecevit has in solving them are in part reflect in part a re-organisation of debt through premature rebecause of issues of national prestige and in part because of the growing conflict between the West and Turkey over how it should plan its economic development. Finland's foreign debt structure also shows an increase in the state share. Last year public sector foreign borrowing

Memories of the humiliations inflicted on the Ottoman Empire mean that the Turks have horrors of being subjected to fresh "capitulations." bate over accepting the policies of susterity demanded by the

The new Brazilian Admini-

after this article went to press.

But with Sr. Mario-Henrique Simonsen, the Finance Minister

changes. The keynote for this

year's borrowing plans was set last November when the

that all future government-

minimum maturity of eight

During 1978, the big borrow-

ing spree had threatened to

increase money supply extremely heavily. Indeed it was

prevented from doing so only

because the government intro-duced measures freezing con-

versions of these borrowings into cruzeiros. In November,

the Government said that if the

new maturity limits did not hold

the influx of foreign funds to

\$300m per month, then it would

impose restrictions on the

interest rates payable on foreign

In practice, bankers say, the policy has been effective in its

aim. It is known that Brazil intends to run down its reserves

this year as one way of covering

impossible politically to make key's medium-term problems. the devaluation demanded by the IMF. Shortly afterwards he fell. Recently Mr. Ecevit has Western alliance.

Only after December's developments in Iran and an upsurge in Turkish political killing which led to the declaration of martial law did the West appear to take note. In January the Gaudeloupe summit agreed that Turkey should receive emergency aid. But two months later none of this had materialised.

On the contrary Turkey found that if any aid were to be expected it would have "unacceptable conditions," as Mr. Ecevit put it, attached.

The conditions are that Turkey should mend its fences with the IMF. In April 1978 it had agreed a \$450m stand-by credit with the Fund but by March this year was still unable to meet the Fund's criteria for it to be bank, Dr. Ali Mowlavi, has allowed to make the drawing stated that international credidue last November. The particu- tors of Iran had nothing to lar sticking point has been over devaluation

Further it is now at odds with the Organisation for Economic Cooperation and Development.

However, substantial renego-

Renegotiation poses problems

tiation of loans is also expected.

for the banks in the case of Brazil simply because the coun-

try is such a big borrower that a cut of, say, 50 per cent in margins would make an un-

pleasantly large dent in their profits. The two big cases of renegotiation so far — Electro-

bras and Acominas were there-

In one case. Electrobras.

where the borrower threatened

to prepay if the margin was

called the borrower's bluff and initially it worked. The loan

out substantially, the banks

fore fought hard.

was not prepaid.

efforts to help Turkey. This In 1977 Mr. Demirel found it began to look seriously at Tur-

The OECD's latest report on been having similar difficulties Turkey calls on the country to over the same issue. Rather open itself to foreign investthan concentrate his venom on ment tourists and competition. the economic mismanagement of All this would mark the end of his predecessor he has made it the pattern of development a matter of honour not to be which Turkey has chosen—a seen to submit to the demands pattern based on import subof the West. To back up his stitution, self-sufficiency and arguments he has tried to make high protectionism for domestic use of the strategic importance industries. Such recommendaof a stable Turkey to the tions anger the Turks only less than do suggestions that foreign economists should be posted to Ankara to help them with their economic planning.

Sensible though some of the

recommendations may sound the '5.' Turks are in no mood for com-The Government believes that it has been let down on promises made to itand that, even if it were to take the measures demanded, it is not certain that aid would flow.

It thus prefers not to aggra-vate its existing domestic problems but instead to rally its flagging supporters around the banner of national independence. This is a questionable: policy-and doubly so given what happened last year when the banks most exposed in Turkey sought to raise support for a loan to Turkey without demanding that it should reach: agreement with the IMF. Before long the banks found that such an approach was not viable. But still the Turkish Government prefers to seek to amend the IMF's rule book rather than fit in with its classical austere prescriptions.

David Tonge

Iran

municado for months, the new more remote option. administration at Bank Markazi, the Iranian central bank, has cause for more disquiet. For insuddenly burst into life with a series of fulsome reassurances for foreign banks and business. In statements clearly intended to calm foreign apprehension over the future of Iran's debts, the new Governor at the central

worry about There would be no nationalisation of Iranian private banks, no elimination of the foreign role in the Iranian banking system William Dullforce of susterity demanded by the Cooperation and Development and Iran would scrupulously international Monetary Fund is The Guadeloupe Four asked the honour its foreign debt, he said.

Such statements have gone some way to remove foreign fears, and comments that Iran could prove to be another "Zaire" or "Turkey," with massive and apparently unserviceable foreign debts, are now less often voiced in international banking community.

Nonetheless, regarding Iran's foreign loans and, as important, the future of delayed trade payments and the host of contracts entered into by foreign business remains highly uncertain.

Holdings

Bank Markazi says that its foreign exchange holdings amount to \$10.6bn, and that the Iranian Government's foreign assets total \$4.4bn. It puts Iran's total foreign debt at \$56n, including both private and Government-backed commitments.

But within the last month the Now the country has resumed refinancing business has gone ahead apace. In general, Brazil's emphasis on long maturities of former levels, foreign bankers are more confident that overseas has enabled the banks to win a lot of ground compared with debt will be honoured. That being said, some of Iran's big normal renegotiation standards state loans in the Eurocurrency in that the terms of the loans as renegotiated are yielding market have still not been satisconsiderably more than would be the case if they were simply factorily serviced, as to both principal and interest payments, despite Bank Markazi's recent to be repaid and refinanced by new borrowing. Thus where Electrobras is proposing to pay between I and 11 per cent on a new \$360m 12-year loan, the proposed margin for the renegoreassuring remarks. Delays in such servicing in some cases now date back to last December. Bank Markazi itself refers to the loans being "delinquent" rather than in outright default. In fact some bankers suggest tiation currently stands at 118 per cent. The Acominas renegothat it cannot be entirely ruled tiation even includes provisions out that a form of rescheduling for existing margins to continue until the original loan was due of Iran's debts will still be requested by Tehran, in order to relieve the burden of paying back loans on the present time

AFTER BEING virtually incom- schedule. But this now seems a Some other areas give equal-

stance, some 150,000 trade transactions at one big Iranian commercial bank alone have been blocked for some months and foreign creditors have still not received a clear idea of when payment can be expected.

Contracts

Foreign companies are also anxious about the future of their various contracts in Iran The sharp cutback in military expenditures in many cases means that associated civil building contracts (such as the Bandar Abbas navy port) are suffering as well.

It seems virtually certain that protracted negotiations and argument will be involved when companies attempt to obtain compensation for cancalled

In recent days the central bank has given the go-shead for foreign banks to return to Tehran, although it is doubled that the number of oversees banks will return to their prerevolutionary levels.

Some 70 banks had offices in Tehran in early 1978. However, the banks were restricted to representative offices, and were barred from opening brancies and soliciting deposits. This means that they will at least avoid the heavy losses suffered by many foreign banks in Beirut the time of the civil war, when looting meant losses running into some hundreds of

millions of dollars. Foreign banks do have extensive minority equity holdings in suffered badly during the revolution. While outright nationalisation is apparently to be avoided foreign banks nevertheless feel that a degree of state ownership will prove inevitable.

To reconstruct fully the battered Iranian banking system. pledged full support for its domestic banks-will probably have to arrange mergers, as well as the acquisition of the weaker banks by the big state-owned entities, such as Bank Melli. In this way, an effective contrac-tion of the Iranian banking system will take place, and foreign representation taneously reduced.

Financial Highlights 1978

1978 in brief	(in Flux million)
Balance sheet total	18,730
Due from banks	
Securities	860
Credit volume	8,007
Due to banks	
Capital	500

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ly from Flux 8.3 billion (US \$ 284 300 million (US \$ 10 million) to Flux million) to Flux 18.7 billion (US\$ 640 800 million (US\$ 27 million).

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in business volume in 1978, the The balance sheet total rose sharp- share capital was increased by Flux

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Philippines

ment. Outstanding foreign debt

The borrowing was undertaken on the assumption that export earnings would rise fast —at a rate of 17 per cent a year according to the current five-year plan. But in the first nine months of 1978 export receipts climbed by only 3 per cent (the fault mainly of a decline in deficit thus more than doubled the rise in oil prices. In con-arranging a further \$100m-sequence the debt servicing both on similar terms. ratio has been rising sharply. On the Government's criteria it renegotiated a \$525m stand by stood at 17 per cent in 1978, credit under which \$325m that but debt service payments as a had been available up to 1981 proportion of export earnings will now be available up to were over 25 per cent.

The Central Bank's calculaand long term credits already earnings in 1977 were \$3.2bn.

contracted by the end of 1977 was that repayments would rise to 81bn in 1979 and \$1bn in 1980 before declining to \$819m in 1981. By comparison export Last year new commercial borrowings abroad under an IMF-imposed ceiling reached

ment has set a ceiling margin-

THE PHILIPPINES Govern-longer subject to the strict ment shows increasing signs of monitoring of the IMF's ex-being worried at the size of its tended fund facility programme foreign debt repayments and at which expired in November. taking on new loans. It bor-While the new ceiling suggests rowed heavily after the 1973-74 that the Central Bank is still increase in oil prices, both to being cautious, there are signs cover its mounting oil bill and that the Government is making to sustain the pace of develop- more use of leasings and export finance which is not necessarily at the end of 1978 stood at covered by the ceiling. Philippine Airlines has recently purchaser aircraft through leasing finance arrangements.

Of the \$1bn that the public or private sector might borrow this year in fixed term credits, \$250m was raised last month through a syndicate led by Manufacturers Hanover. The loan is over 10 years at } per sugar exports) while imports cent above Libor. Morgan rose by 22 per cent. The trade Guaranty are the lead manager in a further loan for \$150m now to \$916m. This year the import being syndicated for the Central hill will be further swollen by Bank and Chemical Bank are

The Central Bank has also

While President Marcos's tions on the basis of medium recent warnings about protections tionism in the West and rising oil prices reflect continuing worry about the trade account, on the plus side is that the foreign exchange reserves in September still stood at a high \$1.9bn. The Central Bank also has a reputation for cautious management of the country's overseas borrowing programme

David Housego

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EUROMARKETS XI

ritain

: 18 months, following the rp revival of foreign and rket confidence in Britain ch began in 1977. This has olved both the repayment of te amounts of debt and new

essary by the vast scale of rowing from the Euro-rkets, from other governnts (including Iran) and m the International Mone-y Fund undertaken between early 1970s and early 1977 finance the large, continuing rent account deficits and big

he result was that after ling had been stabilised in

ITAIN HAS undertaken a from current account surpluses for restructuring of its would imply very tight reeas official debts over the domestic policies, while merely domestic policies, while merely refinancing it with borrowings from the surplus countries would ignore market realities. Indeed, the Bank of England

argued that while there was scope for new borrowing it was necessary to provide for a net reduction in debt on a scale that was appreciable in relation to maturing obligations, partly to retain market confidence. This made it desirable for the current account to remain in

In the event, while the cur-rent account surplus has not been nearly as substantial as the Bank at least had hoped, the Government's policy has been to combine net repayment

currency borrowings, of which all but \$1bn was well in advance of the due dates, Roughly \$2bn of these carly repayments formed part of the UK's borrowings from the IMF. but most of the rest were loans raised from the market by nationalised industries and other public corporations under the exchange cover

In 1978, new borrowing of about \$2.5bn was arranged, as part of a programme of con-tinuing fund-raising, some came from various EEC institutions, Such as the Coal and Steel Community and the European Investment Bank, but the UK also tapped the Euromarkets with, for example, a \$500m loan from a syndicate of Japanese banks for the Electricity Council. And the terms of the Government's own \$1.5bn loan raised in the control of the council. raised in early 1977 were changed with a lengthening of

in 1976 and early 1977 Britain of debt year by year with new borrowing to spread the maturity dates.

S20bn by the end of 1984, h \$11.2bn concentrated in 9-81.

In face of this repayment of debt year by year with new borrowing to spread the maturity dates.

But possibly the most interesting move was announced in April: that the UK was entering now, are ample at \$20bn following in the early 1980s, the remainder of the gold of the Yankee bond market in revaluation of the gold of the Yankee bond market in Yankee bond market in the remainder of the maturity dates.

But possibly the most interesting move was announced in April: that the UK was entering the Yankee bond market in Yankee bond market in

with understandable but perhaps over-eager pride that the UK had a triple A rating.

The issue was very successful and was followed by fund-raising in the U.S. commercial paper market by British Gas and the Post Office.

The result was that by the end of last year debts due to be repaid in 1979-81 had been cut from \$11.2bn to \$8.9bn and in 1982-84 from \$8.3bn to \$7.2bn. But outstanding debt in dellar terms has fallen by less than \$24bn because the decline in the value of the dollar has increased the dollar value of debt

in other currencies.

The official view is that most of the strategic changes in reducing the repayment hump have now been achieved and only further occasional repayments before the due dates will be required, partly depending on relative interest rates. This, of course, is in addition to the \$2.5bn which anyway matures during 1979.

The main emphasis is likely to be on new borrowing and the aim is to tap as wide a range of markets as possible, and to raise money with suffi-ciently long maturities.

Peter Riddell

rance

ional bonds last year, a arranged a \$1.5bn credit line rked decrease on the figure which in the event was never 1977, \$4.2bn. This year's tre could be even lower if the igeted current account sur-

is turns out to be true.

The features of French

Towing did not markedly

unge last year: getting the

it terms available remains the lmark of the French sasury's approach to the mar-to the chagrin of many ikers but the obvious benefit French borrowers.

Bankers continue to complain

it the "forteresse de la Rue Rivoll" as the all-powerful nistry of the Economy is twn in Paris, behaves like a amroller, while the handful senior Treasury officials in urge of the debt and borrow-insist there is nothing

ister in their making sure t France gets the best terms tather than the pursuit of a h volume of fresh money,

next few months could witis some tough renegotiations existing loans as the easury attempts to stretch turities and bring down eads and commissions fur-r. In this respect French cials will not be behaving erently from a string of cials in financial ministries oss the industrial and less eloped world.

rench borrowers have not nged in recent months: the idful of state companies such nain the flag bearers of the

ANCE RAISED \$3.1bn in in 1974, when in the wake of somewhat aggressively, to dicated credits and Inter- the increase in oil prices it

> well known duet-continue to compete in raising funds. Breaking the & barrier for spreads was one of the great achievements of the year. Breaking the d per cent barrier has just been achieved by CNT, in yet another world premiere. This had only been done in private deals up to now but not in public ones. Prestige certainly comes in here, but bankers will understandably frown when such a breach is made publicly as they can expect a string of other borrowers, not least from the UK, to point out that their credentials are quite as impeccable as any France can

> Despite its continuing borrowing programme, France remains among western industrial countries one of the least indebted, both domestically and internationally.
> Underlying the push to main-

of the Republic are deeper

company treasurers are wont to point out that heavy repayindeed been traumatic. Those the years to come and more money raised. The needs of the likes of EDF in the next few publique Française, which years are very considerable, so it is only natural that the ne. (It did do so once, back Treasury should strive, maybe

Canada

ECONOMISTS nervousness about the exchange NADIAN pect their country to run a rrent account deficit of ment account deficit of 4.7bn (about US\$3.9bn) this ar which will have to be sed by foreign borrowing.

The deficit forecast is marginy better than that for 1978 cause of an improving merandise account. The tourist count, once a cause of conlerable concern, seems to be ming under control as a result e devaluation of the naman dollar since 1976. wever, not tourist spending year still did widen from 1.50n in 1977 to C\$1.7bn in

There is nothing unusual out Canada importing longm capital to balance its ternal accounts; over the ars the current deficit to be vered has not varied greatly nen expressed as a proportion GNP. In spite of a certain nount of political argument,

onomists foresee no difficulty borrowing the requisite Last year Canadian long-term prowing abroad other than the rrowing of the federal Govnment in Ottawa came to out C\$3.5bn. This year a somehat higher amount is likely to sult. The borrowings in 1978 ere done as follows: provincial overnments and utilities C\$ 9bn; municipalities C\$50m; prporate bodies C\$1.55bn.

For balance of payments rea-ons the federal Government self borrowed C\$5.6bn abroad, icluding drawings of CSSon on nes of credit provided by anadian and foreign bank conortia. This year's amount might ell be higher but the volatility short-term capital flows nakes it difficult to forecast ow much will be needed. Last ear there was a net outflow of \$3bn under this heading, even hough the Canadian monetary uthorities have kept adminisered interest rates above those

revailing in the U.S. Since about the turn of the ear the Bank of Canada has dso been pushing up long-term nterest rates in defence of the iollar by becoming a net seller of Canada bonds. That could enourage provincial and corporate treasurers to switch some of their borrowing from domestic to foreign sources. The spread may be large enough to make that appear sound, but the exchanges rate risk may prove 3

that there is much

rate for the coming year. But the long-term outlook could be chancy, especially with the battle over the future of Quebec still to be decided. The Government is obviously pretty determined to defend the exchange rate, at any rate until the election due this year is out of the way. But it would hardly be wise to over-borrow since a very much stronger Canadian dollar would embarrass Canadian manufacturing industry.

There are some signs that the currency has gained underlying strength. At any rate it staged a rally early in March when it appeared that the Canadian Government might permit increasing exports of natural gas to the U.S. from next year onwards. It is by no means certain that these exports will be permitted, but if they are they could add C\$500m to next year's export receipts and a good deal more after 1981.

This year the Canadian Government has arranged to borrow Y100bn (about U.S.\$500m) in Japan, Y30bn of it by bond issue, Y35bn by a 10-year loan at-7.1 per cent and another Y35bn by 20-year loan at 7.5 per cent. Borrowing of SwFr 1.5bn (about U.S.\$900m) have been arranged in Switzerland this year, one third by private third by bond issue and one third by bank loan.

The U.S.\$1.5bn from these borrowings can be added to the official monetary reserves available for the defence of the Canadian dollar. On February 28 last they stood at U.S.\$4.1bn. In addition U.S.\$1.3bn had not been drawn from a U.S.S3bn line of credit arranged with a group of U.S. and other foreign banks, and U.S.\$1.4bn was still undrawn from a U.S.\$2.5bn line arranged with Canadian banks.

CANADA'S EXTERNAL PAYMENTS

(Selected estimates -- C\$bn) 1978 1979 Merchandise trade +3.5 +4.0 -8.7Invisibles -5.3 -4.7Current account Long-term capital Short-term capital

W. L. Luetkens

maintain France's status as a

EDF could have broken the per cent spread barrier when it raised a \$600m back-up line for U.S. commercial paper last October, but it refrained from doing so. A number of German and Japanese banks had indicated they would not wish to participate in a loan to EDF which included such a low spread. EDF and the lead manager of the facility, Credit Lyonnais, were both keen to ensure that a good number of

prime international banks be included in the management group, if only because EDF will remain a heavy borrower in the years to come. Both decided it would be wrong to force the

Earlier in the year Gaz de France had become the first borrower in the current cycle to raise a loan, also in the form of a back up line for an issue of commercial paper in the U.S., which included a tranche bearing a spread of !

F.G.

PERU. BOTH economically deficit of \$438m in 1977 the and politically, has stood up balance jumped back into the to the intense strains of the black last year to the extent past year much better than anyone had a right to hope.

Last year the government of
Gen. Francisco Morales Ber-

mudez was unable to meet its debt obligations. Foreign suppliers and lenders were under-going long waits for their money reasons: first, no one has forgotten the "poor relation" status recession looked certain to program of the Fourth Republic in Status recession looked certain to provoke intense political problems as the International Monetary Fund demanded severe deflations of a price for its help. More practically French state tion as a price for its help.

The past few months have

ments will have to be made in sectors of the country's labour force sufficiently organised to make themselves heard, such as the miners, have demonstrated and gone on strike. The nonorganised majority has just had to sit through the recession comfortless. But the political balance has not been overthrown so far and the elected assembly, almost miraculously, is still at work on a new constitution under which the military will surrender power to

a civilian government. Economically, the situation has been changed by the IMF's decision to continue lending to Peru. This fact left the door open for a renegotiation of Peru's foreign commitments and the reduction of the country's ratio of debt service to export earnings from near 60 per cent about 30 per cent.

The severe limitation of imports coupled with better prices for copper and a big effort to promote Peru's non-traditional exports, such as tex-tiles, produced a blg turnround in the trade balance. From a

black last year to the extent of \$200m. The exchange rate has exploded upwards to reach more than 200 Sol to the dollar.

Sr. Javier Silva Ruete, the Finance Minister, is now beginning a campaign to attract new foreign investment to Peru reversing the policies that the military have followed since they took power in late 1968.

The outlook for Peru, therefore, should be one of continued economic improvement, simply because things could hardly have got any worse. According to the latest figures from the Banco Continental, sales of cement and structural steel are no more than 90 per cent and 81 tively of the 1977 level, figures which testify to the severe blows which have been dellvered to the building industry in particular.

With a continuation of the rise in the copper price, the big oil discovery announced last month and a sustained brake on imports, the Peruvians will be unlucky to do any worse on their trade balance this year than they did last. Peru is now a small net exporter of crude oil and fully shielded from the oil price rises which are hitting Central America, Brazil and other Latin American countries so hard.

Peru's prospects are brighter than they have been for some time and this should be reflected in a trek back to Lima by many the bankers who got such a fright last year.

Hugh O'Shaughnessy

Nigeria now seems unlikely to try to tap the Eurocurrency market for further "jumbo" loans in the immediate future.

Faced with a highly ambitious development plan, mounting balance of payments difficulties and a very low debt servicing ratio. Nigeria turned to the market and Eurocurrency signed for a \$1bn Eurocurrency loan in January last year.

An attempt to raise an additional \$1bn on the Euromarket ran into a morass of administrative, legal and other complications. Finally, Nigeria late last year reached agreement on a \$750m Eurocredit (fully drawn down in January) and followed this up last month with a loan package amounting to \$1.126bn with a group of German and Austrian banks for the financing of a specific steel project.

In advance of the 1979-80 Nigeria budget, due at the beginning of April, official sources in Lagos are reluctant to spell out details of Nigeria's latest borrowing plans, but they suggest that the country has no immediate plans for any more big Euromarket loans, while not ruling out the possibility of some specific project borrow-

ings.
The problems and attendant publicity surrounding the \$750m seems likely to be iumbo " one contributory factor making Nigeria reluctant to tap the

Another is the improvement

AFTER SIGNING two agree- in the country's balance of payments within the space of a year ments position in recent months, for Euroloans worth \$1.75bn, thanks in part to some stringent controls on imports and in part to a rapid rise in Nigeria's oil production, now running at record level of 2.4m barrels a day. Officials expect oil sector earnings (which account for per cent of export receipts) to amount to at least Naira 7.5bn in calender 1979, compared to N5.6bn last year

and N6.3bn in 1977.

It will take some time for the effects of higher oil sector earnings to work through the economy and in the absence of up-to-date balance of payments figures it is difficult to assess the extent of Nigeria's shortterm financial needs. But the position certainly seems substantially more manageable than six months ago. A run on the country's foreign exchange reserves was halted in the latter half of last year and should now be being reversed.

Another factor making the Government reluctant to enter the Eurocurrency market again is political. Nigeria's military administration is scheduled to hand over power to a civilian Government on October 1 next and does not want to build up further substantial international debts before then. Already some civilian politicians have criticised the present Govern-ment's international borrowing programme and the military will be keen to minimise any controversy on this

Martin Dickson



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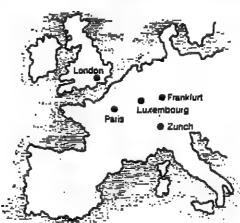
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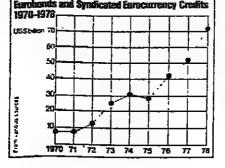
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SOCIETE GENERALE

North Africa

countries—Algeria, Morocco and Tunisia — are well known cushad been a more active borrower than its eastern neigh- of the country's economic bour but last year the situation

Algeria increased it borrowing more than threefold in 1978 faction programme will absorb and emerged for the first time since 1973 as the largest bor- in the next few years: income rower within the Organisation will build up but wi of Petroleum Exporting Coun-three-year time lag. tries (OPEC). It raised \$3.2bn in the financial markets, of which bonds accounted for was the opening of the first \$721m. To this overall figure major liquefying natural gas raised in the form of exim industrial countries.

Algeria borrowed more than its immediate needs dictated last year. The explanation would appear to be twofold. First, it was able to get much finer terms than hitherto on the syndicated credits it arranged. Secondly, some in Algiers fear a tightening of liquidity in the financial markets later this year. Sonatrach alone has funding requirements which are very heavy this year (\$3.2bn) and thus has to ensure it has access to fresh money.

The better reception afforded to Algeria in the market is partly explained by the report which the State oil company Sonalrach, working with Bechtel Corporation, a major U.S. contractor in the gas liquefaction industry, made public last spring. It included detailed production and export projections of Algeria's oil, liquefied natural gas and other derived products up to the year 2005. Financial projections, including income, were also included. The

Indonesia

country to send quivers down

Euromarket bankers' spines

when the state oil company Per-

tamina all but defaulted in 1975.

By now it has become virtually

a model borrower. Like all other countries, Indonesia still

has its contretemps with inter-national bankers—the on-off

financing for Garuda sirlines'

purchase of Boeing aircraft last

year was troublesome. But in

all fundamental respects it is

The basic balance of payments

position is that despite its oil

exports, the country habitually

runs a small current account merchandise exports.

regarded as sound.

INDONESIA was the first major deficit each year (projected to

THE THREE North African psychological impact of this floating rate of interest money, they could raise money. document was considerable; all This formula has been used Tunisia — are well known cus- the more since Algeria has not successfully with Canadian a relitomers of the international been noted in the recent past as banks, French banks and Italian The banks, the first being by a long providing easy access to banks. It is likely to be stretch the most important information.

Even bankers who harboured Algoria's banks.

few fears about the ambitions planners were relieved to be given such data. The timing was important as the gas liquewill build up but with a two- or

Another event which cheered bankers and companies alike should be added the large sums plant in Arzew, known as LNG1, a year ago. Building had long credits from most of the major been plagued with difficulties and delays. The plant has been operating without major snags since and the progress on the building of the LNG2 plant is proceeding smoothly. The LNG3 plant has recently been commissloned, to be financed by a \$1bn package put together essentially by French banks and Coface.

. This large package opened the 1979 calendar of Algerian borrowing, which can be expected to top the \$3bn mark if exim-type credits are included. While banks are willing to finance Sonatrach projects some have expressed retiabout financing such social developments as housebuilding: others may go shead. African countries remained however, especially if an modest. Morocco reduced its however, especially if an organisation like Coface con-

a guarantee to the banks. The importance of the lead exim-type organisations can provide for major credits lies in currencies. the reassurance they can give to Moroccan banks, they will offer the longer Kingdom, maturity fixed interest rate provide the shorter maturity improving the terms on which

Bank's influence continues and

ratio. With \$1.4bn of total debt

service in 1977-78, its debt

service ratio was around 18 per

cent. The policy is that debt

service is not to go above 20

per cent of net earnings from

country's central bank have also over the past 1S months taken a series of measures which ensure a more orderly approach to the market. Nearly two years ago a committee was set up in giers with a brief to ensure that the numerous approaches made to international banks by Algerian State companies were better co-ordinated. In par-ticular Algerian borrowers were not to approach foreign banks. even on a tentative basis, without the prior knowledge and approval of one of the four banks in Algiers, part of whose job it is to maintain contact

with foreign banks. Another measure which helped the Algerians improve the terms on which they were able to borrow was the reduc-tion of the volume of "a paper issued Algerian borrowers. The higher rates paid to bankers who bought such paper as compared with the return available to them if they participated in a syndicated credit seems to have kept the spreads on the loans at a higher level than they need have been.

By comparison, the amounts raised by the other two North

borrowing; it arranged \$605mfirms that it is willing to provide worth of credits as compared with \$779m the year before and continued to denominated raise bonds The major borrowers, phosphate Office Cherifien des company, money while the banks will Phosphates both succeeded in

By June last year the overall reach the historically large size of the public sector's (infigure of \$1.2bn during the curcluding Pertamina's) medium rent 1978-79 fiscal year). Capital and long-term debt was nearly negotiated in 1976 (and subimports usually turn the cur- \$12bn, up from \$11.4bn in sequently repaid ahead of rent account deficit into a small December, 1977, and \$10bn a year earlier still. On top of overall surplus.

Year earlier still. On top of Although Indonesia has long this the country may be assumed since paid off the International to have some short-term and tunes. The principal worry of Monetary Fund, the World private sector debt. Though no estimates of either are available. foreign bankers is that inflation government policy is to keep a tight rein on the debt service to judge from the Bank for is still not down to anything International Settlements' like acceptable levels. The rises in prices was put officially last

figures on bank lending to all entities in Indonesia for all maturities, the total amounts involved here cannot be large by comparison with the \$12bn figure above. The majority of Indonesia's debt is owed to other governments on a bilateral basis. Against this, foreign exchange eserves were \$2.5bn at the end

The major developments last year in Indonesia's relationship with the international banking community were restructuring of the debt the Government had Pertamina and the beginning of the financing of the new five-year plan.

of last year.

The restructuring, again arranged by Morgan Guaranty, cut the cost and pushed out the maturity of the original funding operation. It totalled \$575m and paid margins over inter-bank rates of 12 per cent for a final seven-year maturity.

Like other borrowers, Indo-nesia profited from the general fall in margins and lengthening of maturities on Euromarket syndicated loans last year. By the last quarter it was negotiating a \$300m ten-year loan paying margins of { and { per cent, for five years. Lead managers here were Manufacturers Hanover and Toronto Dominion.

Currently in the course of being finalised is financing for the next stage of the Krakatau steel plant. One of the biggest casualties of the Pertamina crisis, this steel project is now being put together again. The German group Ferrostaal is the main contractor for the latest stage—a hot-steel rolling mill. It involves about DM 1bn worth of foreign financing altogether.
This financing, being handled
by Deutsche Bank, includes a
commercial credit of about DM 330m with a large element of Hermes-guaranteed credit

Negotiations on the next and most profitable stage of Krakatau, which could involve a joint venture between the government and other interests. are expected to start in earnest in the middle of this year.

Other major projects which may need financing in the next few years include development of the Badak and Arun natural gas fields (at Badak a letter of intent was signed in the middle of last year with a group of Japanese contractors who would be responsible for the \$500m-plus financing); the \$700m Dumai project for a plant to convert Indonesia's usable; and the \$1bn plus Bukit Afan project to rehabilitate and expand a state-owned coal mine. This project, which is not quite at the tendering stage, is currently being reviewed by the World Bank.

Also being studied by the World Bank is the governintention, recently announced in its new five-year plan, to vastly increase the transmigration programme under which it helps finance families to move from overcrowded Java to other islands. If it materialises, the government could well look for foreign commercial bank funds as well as World Bank loans for this.

Italy

DESPITE ITALY'S current pro- State agencies and private tracted Government crisis, the groups have negotiated more lira has so far not come under favourable rates. Last October, Morocco will probably prove a reluctant borrower this year. any significant pressure on for example, Ferrovie della austerity measures foreign exchange markets and State, the Italian State Railways announced last year are reducing the volume of imports the country's general economic negotiated a \$200m seven-year outlook, in the short term at loan with an initial spread of while exports are being strongly encouraged. The economic least, appears buoyant. development plan was also Italy has just retu

Italy has just returned a

scrapped and replaced with a three-year contingency plan. Until the country's balance of payments deficit has been further reduced, Morocco will its trade account last year for the first time since the war. not want to come to the market foreign currency too often. reserves exceeded \$10bn at the Tunisia continued to horrow end of December against around small amounts and maintained only \$1bn at the beginning of its status as a borrower. 1976, when the authorities were with the other two countries it forced to close down temsucceeded in improving the

porarily the foreign exchange over LIBOR.
market in another political Another ex terms on which it could raise In the face of the recovery of the country's payments position and the steady increase of net official reserves standing at the end of last year at \$25.2bb, the Argentina country has effectively been pay-ARCENTINA HAS made a ing back before schedule some remarkable financial recovery of its official borrowing repayments to the International Monetary Fund and the Eurosince the military regime of Gen. Jorge Videla seized power from the government of Sra. Maria pean Community. Indeed, the medium and long-term debt position of the Bank of Italy

Estela Peron three years ago

Foreign exchange reserves,

which had almost run out just

before the bloodless coup, have

now rocketed to a record total of over \$6bn. The current

account balance of payments.

has returned to healthy surplus, chalking up a plus of \$2.1bn last

year. And foreign banks, which

were wary in the extreme of

lending to the previous regime,

have been practically queuing up

structure projects.

schedule last year).

year at 169.5 per cent, 9 per cent

more than in 1977. This was a

sharp set-back for Sr. Jose

Martinez de Hoz, the Economy

Minister, who had confidently

forecast that diligent pruning of the budget deficit would reduce

infiation to double figures by the

Though Sr. Martinez de Hoz.

the mastermind of the country's

economic revival, has succeeded

in bringing the rate of price

rises down from the annual

figure of some 350 per cent

before the military takeover,

there is a feeling among foreign

Consequently, there has been

some confusion over the motive

end of 1978.

this month.

at the end of last December, The current level of the official foreign currency reserves redects to a large extent expanded borrowing by the Italian banking system during the last two years. The banking system's net short-term indebtedness was less than \$500m two years ago and rose to to supply funds, especially for \$7 bn at the end of last July, Argentina's ambitious long-term although it has subsequently \$7bn at the end of last July, hydro-electricity and infra- slightly dropped to \$5.6bn at the

end of last December. At the same time, State sector Last year the country raised \$1.46bn in syndicated credits, and private groups have also up from \$849m in 1977 and a been incresingly turning in the mere \$72m in the chaotic year of last two years to medium-term 1975. State-backed borrowers Eurocurrency borrowings which are now raising 10 to 12-year are currently estimated to total money at spreads of 1 to 1 per some \$9bn. If this figure is cent over Libor, the finest terms added, italy's overall coreign in Latin America after Vene- indebtedness, including shortzuela and Colombia-and a far term borrowing by the banking ery from the 11 per cent over system and official borrowings with the IMF and the EEC, now four years which was the margin stands at about \$16bn. on the \$15n restructuring loan

Indeed, after an absence of some years, italy returned two years ago to the Euromarkets as the so-called "Italian risk" Yet all is not completely well disappeared. The Italian State with the country's economic formedium-term credit institute, Istituto Mobiliare Italiano (IMI), effectively led the way back with a \$200m issue, aithough the one and threeeighths margin over LIBOR on the issue still reflected some measure of concern over the Italian risk.

Subsequently, however, an increasing number of Italian

five-eighths per cent over LIBOR for the first two years. balance of payments surplus in This is one of the lowest 1978 of some L6,900bn and is spreads obtained by an Italian This is one of the lowest expected to report a surplus in official borrower since 1973. indicating both a borrower's market and a progressive reassessment of the Italian risk compared with other international borrowers of equivalent standing. For the remaining five years of the loan, the spread rises to three-quarters per cent

Another example is the \$100m eight-year loan obtained by the mechanical engineering and electronic group Olivetti last November. Interest on the loan was set at three-quarters per cent over LIBOR for the first four years and seveneighths per cent for the last

four. Apart from the reassessment of the Italian risk, the country's increased activity in the Euromarkets also reflects the markets' high liquidity. None has dropped from \$5.5bn at the less, Italy is enjoying beginning of last year to \$1.5bn improved international confi-

In large measure, the main purpose of Italian Euromarket fundings are either for balance sheet financing to help companies consolidate their financial position, for export finance ing, or for specific investment projects, particularly for over-seas ventures like the State: hydrocarbon agency ENI's participation in the construction of natural gas pipeline linking Algeria to Italy.

But despite the significant improvement of Italy's payments situation, the continuing stability of the lira, signs of a recovery in industrial production after a two-year recession, concern is growing in the rise again. At the same time there are still no signs that the trade unions will moderate wage claims in the course of the current round of renogotiations of national labour contracts involving some 10m union

members. And in the present climate of political uncertainty, with the increasing risk of an early general election, the outgoing Government's attempts to introduce a wide-ranging three-year economic recovery plan to tackle the fundamental structural weaknesses of the Italian Economic system is now effectively in cold storage.

Paul Betts

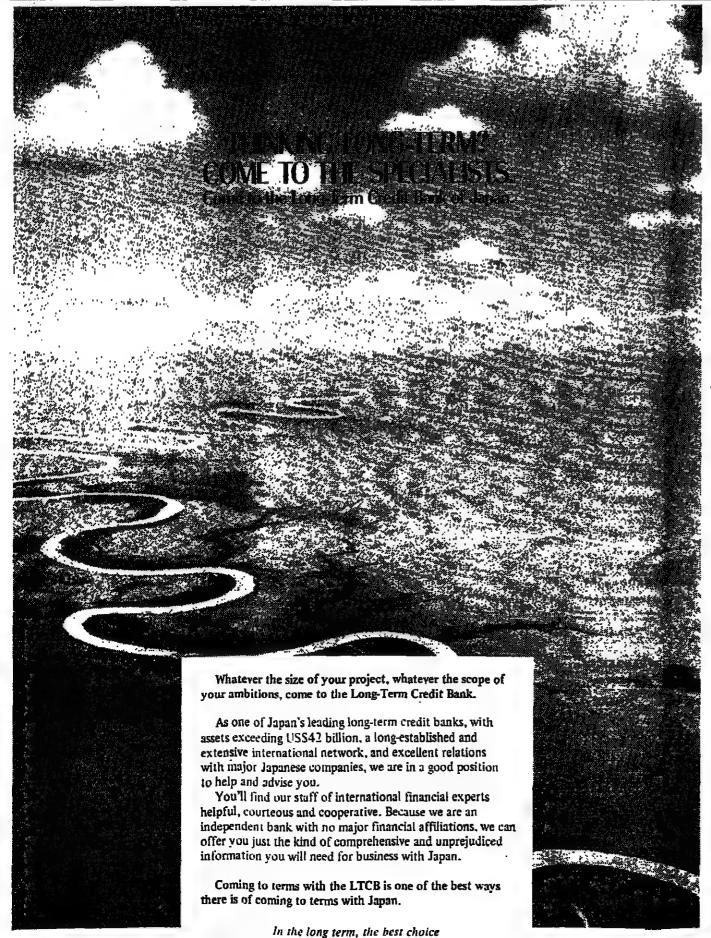
borrowing which were implemented last year in a bid to doubt that Argentina is now a

particularly in the private

bankers that the Government's although the Government has anti-inflation policies have now succeeded in bring back a large somewhat run out of steam. measure of normality to the The surge in prices last year country's affairs by practically was partly caused by the wiping out the guerrilla move-country's very success in attractment, many overseas bankers ing large inflows from abroad, feel that Argentina's longer term chances of stability would be improved if the junta made plans for a gradual return to civilian rule.

slow down foreign inflows, welcome name on the Euromarket. Banco de la Nacion. the State-owned commercial \$300m Eurocredit and a \$50m floating rate note issue, and the joint Argentine - Paraguayan concern Yacyreta Binacional is now attracting considerable bldding competition for its plan to ruise a \$200m Euroloan to help finance the two countries' \$708 hydroelectric project on the Parana River.

David Marsh



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The hiatus in Ulster

. ROY MASON, MP, the tions of the report—those call-retary of State for Northern ing for closed circuit television and, is renowned in Ulster in interrogation rooms, and going back to his Barnsley visits by a solicitor within 48 stituency every weekend, if hours of a detainee being held. can make it. He goes to Hardly had he spoken the h base, have a few drinks 1 his constituents in the pubs clubs and generally unwind. he tough ex-miner must variously claimed that the e been greatly relieved to Northern Ireland Office and/or e been greatly relieved to
back this past weekend. the Royal Ulster Constabulary
n by the unusually demandstandards of his job as
Irwin. The rumours were that retary of State, he had gone ough what for him and other officials has been a rough k. A combination of events ing the week emphasised; while the nature of the le in Northern Ireland may age it is now more of a paganda war than strictly of security. The underlying olem of two intractably trised and conflicting cul-

s just goes on and on. irst, a part time police seon, Dr. Robert Irwin, went television and said that in past three years he had e across cases of ill-treatit among 150 prisoners he seen who had been grogated at the Castleth holding centre. There e journalists in Northern and who maintained that Dr. in had been saying this kind thing for over a year, but refused to be identified ore. This time he went public immediately caused a furore. lis allegations resulted in the g-awaited Bennett Report on ce interrogation procedures ig brought forward and rek. The report was the result an Amnesty International rsigation into allegations police brutality. As setted, it said that on hasis of medical evidence n four independent sourcesjust on the basis of what Dr.

in told the committee—there

e been cases of police mis-

Ir. Mason immediately spted two key recommenda-

Hardly had he spoken the words in Parliament, however, than an associated scandal burst around him. Newspaper reports Irwin. The rumours were that Dr. Irwin was bitter about the RUC for failing to capture and prosecute those responsible for

raping his wife in 1977.

The week also saw the first ever visit by journalists to H-Block at the Maze Prison, where 375 prisoners, mostly Provisional IRA, have been waging a campaign of soiling and damaging their cells to focus attention on their demands to be treated as "political prisoners." The grim news pictures and reports of naked prisoners and un-washed cells put over the message of squalid deprivation and abuse even though the pri-soners' misfortunes are self inflicted.

Finally in the U.S., Senator Edward Kennedy and Congressman "Tip" O'Neill in their traditional St. Patrick's Day address on Saturday, condemned violence but launched a stinging attack on Britain's abuse of civil rights.

Mr. Mason refused to accept that there has been police brutality by making a fine distinction between allegations and evidence. All there has been so far, he said, are allegations. Supporters of Mr. Mason say it is quite possible there is brutality in most police forces and that Northern Ireland is a particularly violent place. Violence tends to breed violence, they say, and therefore the odds are that there would be more mistreatment in Northern Ireland than, for example, in

the provisional IRA and other been forgotten. Few of them paramilitary groups have in the said anything which surprised guise of political idealism, consistently committed acts against the army, police and civilian crimes which are repugnant to any civilised society.

Mr. Mason's supporters, when accused of violating human rights, also argue that with a few exceptions—such as the Emergency Powers Act, the widespread application of the Prevention of Terrorism Act and the use of trial without jury—the basic laws and ground rules which govern the Province are those which govern mainland Britain: namely those of Western democracy with all kinds of checks and safeguards against the abuse of human

Damage done

At the moment the uproar

is about the way those prin-ciples are being flouted. The outrage may subside but the damage already done is that by leaving themselves open to criticism for using dubious methods, the Government and its agencies have bamstrung themselves, because of the amount of sympathy that has been generated for the Pro-visional IRA and other violent groups. This is particularly true in the U.S. As Americans are not close to the problem. analysts say Americans tend to regard the violence in Northern Ireland in the context of "heavyhanded Britain" trying to crush genuine nationalistic aspira-

To counter these accusations the Bennett report is just the latest in a long line of enquiries. The Cameron Report in the late 1960s looked at discrimination, the Widgery Report examined "Bloody Sunday" and the Comp-ton Report looked at allegations of brutality on the day intern-

ment was introduced. ondon. There have been other There is also no question that reports, many of which have

anyone who knew anything about Northern Treland. Similarly with Bennett, most informed observers, not just the partisan commentators, believe that prisoners are mistreated. They reason that because the RUC is largely Protestant some of its members would inclined to abuse Catholic prisoners, particularly those suspected to be members of the IRA. In spite of the shocked reactions of Mr. Mason and Sir Kenneth Newman, the chief constable, at suggestions that smear campaigns and black propaganda take place, and their promises that any such allega-tions will be thoroughly investigated, most observers believe that such things do go on. Reaction from the politicians has been predictably along party lines: cautious welcome from the Unionists, claims of a white-wash from the Social

Bennett might lead to a tightening up of interrogation procedures. It might lead to prosecutions. So far not one policeman has been convicted of mistreating prisoners although dozens of policemen have been charged. The Bennett report could also conceivably lead to the resignation of the chief

But there is a feeling that all this is incidental. The real impact of Bennett is that it has underscored once again, that after 10 years of troubles during which 2,000 people have been killed more than 20,000 been killed, more than 20,000 injured and millions of pounds of damage done. Northern Ireland is no nearer a solution to its problems than it was when

Democratic and Labour Party,

part of the UK.

the Civil Rights movement began and violence first erupted.

As most observers see it, the mistreatment of prisoners, the use of black propaganda, the virtual state of siege the pro-vince still lives under are



RUC and soldiers search passers by for arms early on in the tr oubles. Right: Sir Kenneth Newman, chief constable of the RUC

symptoms of the basic problem. Province is largely under fearful that its support will are not separated only by dif-The Catholics have legitimate governed. drain away to the more violent ferences in their economic civil rights grievances and Pro-Perhaps most damaging of Catholic groups like the Provitestants have deep seated fears all, there has been virtually no about becoming a minority in an island of 4.5m people. Most of the 500,000 Catholics want to belong to one united country, Ireland, while the majority of 1m Protestants want to remain

octopus.

there was. There are no longer the street battles, the "no-go areas, the incessant sectarian murders, With the Protestant para-military groups quiescent for the moment, the struggle is basically between the IRA and the almy and police. There is direct rule, therefore there are 13,500 troops still in Ulster. There is a vacuum in local government because there is

political movement since the collapse of the power-sharing Executive in 1974. The largest moderate Catholic party, the SDLP, is particularly

bitter about the Labour Government. As one senior member said: "I find it part of the UK.

Many observers who know the Province well increasingly believe that the tentral problem can only be tackled by ending the political stalemate. Dealing the symptoms is merely strange coming from me, but I strange coming from me, b Edward Heath and Willie White-There is, less violence in law did more for this place than Northern Ireland now than all the Labour ministers put

together. Harold Wilson just was not interested." Mr. Mason claims there is no popular groundswell against direct rule and many people agree this is true. But all the evidence suggests that in the political vacuum, the polarisation of the two religious com-

munities is getting worse.

This can readily be seen in

sional IRA, the SDLP is increasingly looking south to Dublin and to an all-Irish solution.

the ruling Fianna Fail Party of Mr. Jack Lynch and the main opposition party, Fine Gael under Mr. Garrett Fitzgerald, have recently talked about solu-tions for Northern Ireland. The Fine Gael has called for some kind of federation. Fianna Fail for which eventual reunification is the ultimate truth has their activities to the kidnapping suggested setting up joint structures by which is meant an all-Ireland Court, an all-Ireland Green Pound and closer crossborder co-operation. Under-pinning both parties' plans is the growing prosperity of the Republic. Ireland has now vir-tually caught up with the North in terms of per capita income

and could easily surpass it within the next decade as its economy expands under the EEC's Common Agricultural

The gulf between even the moderates thus grows wider. With the hiatus stretching at In the Irish Republic both least until the end of the year the security situation could easily deteriorate.

The police and army now admit that violence by the Provisionals has been reduced to a minimum. But the findings of the Bennett Report will make life more difficult for the police. The Provi-sionals could easily escalate

bomb targets. The worst fear of all at the Northern Ireland Office is that greater finance from the U.S. will help the Provisionals to do

Greater Provo activity could easily lead to a Protestant paramilitary backlash and the Province would be back to the virtual civil war of seven years ago. It is a dismal scenario but not an impossible one. The only way to stave it off, many observers feel, is for the next fall Secretary of State and the convinced that power-sharing as first ally impotent 26 District in the 1974 Executive was the Councils. This means the only solution to Ulster. Now,

Letters to the Editor

Duty level on tobacco ind alcohol

itment of suspects.

m the Chairman, acco Advisory Council ir,—You reported (March that the National Consumer ncil, in its Budget sub- expenditure. tobacco and alcohol should ner personal tax allowances:

cally low levels in real terms. he facts of the case do not port this opinion. Since uary 1974 the retail price ex for cigarettes has conrun ahead of the ieral RPI and now stands at compared with 208 (1.1.74= i). The tax element on arettes currently represents average of 70 per cent of the al retail price and this is as a proportion as at any ie in the past fifteen years. e concept of increasing in-

taxes to enable direct ation to be reduced may have to commend it: however. tobacco industry clearly canaccept that it would be fair ingle out its products for treatment than any product or service. Merely pick on isolated product ps like-robacco and alcohol d require punitive levels of ration to produce a sum of brey that could have any sigant effect on levels of per-

Furthermore Government has knowledged the dangers of nitive tax levels in its White Prevention and Health," and. 7047, of December 1977. this it gives its view that uch (punitive) taxation can regressive and hit hardest ose who can least afford the st. Thus if in response to ineased taxation, poor people end more on drink and bacco instead of reducing conamption of these items, they ay have less money to spend n food, with possible damaging Fects on their health." Surely iis view constitutes a better alanced stance than that taken the National Consumer ouncil; the 20 million or so J.K. consumers of tobacco roducts would doubtless agree. that both sides want to restore pay levels established for

Sir) James Wilson, obacco Advisory Council, lag Place, SW1.

Teachers' pay

rom the General Secretary, National Union of Teachers Sir,-I have refrained for some ime from commenting on the eports of your education correparticularly spondent. latest 'eachers' The example (March 15), however, cannot go unchallenged. The leader of the management panel did reaffirm his panel's commitment to the pay level estab-lished by Houghton in 1974 at

the last meeting of the Burnham Committee on March 7. Your correspondent has his own views on "comparability" for teachers, but I fear that

they are not relevant to the

not, Houghton linked teachers' gates which would automatically such potential recruits have pay to the Department of "read" and check the validity of recently trained in this coun'p.y. pay to the Department of "read" and check the validity of recently trained in this country.

Employment's salaries index for tickets at entry and exit points. as the article states, at the non-manual workers in general. This, said Houghton, was the proved by those undertakings

only fair comparison for teachers; the link was accepted Government which also accepted its implications for future fare at a reasonable level. This

mittee comprising teachers, emincreased to help pay for ployers and Government reprea move is based on the view report has been prepared to Paris suburbs. cigarettes are relatively which all parties are signatories. F. E. Wilkins, ap compared with a few years. It shows that, on one calcula- London Transport. pay since Houghton will be 36.5 per cent at March 31 and that. using other calculations, the shortfall never falls below 31.1 per cent. per cent. A considerable erosion, even if one takes the

most modest estimates.

I think that your education correspondent understands that teachers' conditions of service are not negotiated in the Burnham Committee: therefore, his speculation about possible tradeoffs is, to put it politely, inappropriate. He is seriously wrong in suggesting that certain statements made by a few local outhorities last year changed anything in relation to teachers' conditions. There is, and has always been, no doubt that activities undertaken teachers in their own time are voluntary. Teachers have not changed their professional comin view of the strains and on education in the past few years, they have probably been doing more in their own time than in any previous period. Research last year by

the National Foundation for Educational Research shows that two-fifths of the average secondary teacher's working day take place in his own time! The last meeting of the Burnexplore whether the new Standing Commission on comparability has any relevance to teachers' pay negotiations and the next meeting on March 21 If both sides do ultimately wish to refer to the Commission, ledge that a year-long comparability study of teachers' pay has been completed, that both emloyers and teachers acknowledge the considerable erosion in pay that has occurred and

dent inquiry. Fred Jarvis, National Union of Teachers, Hamilton House. Mabledon Place, WC1.

teachers as a result of indepen-

Flat fare

system From the Chief Public Relations Officer, London

Transport Sir.—The answer to Judy Bas-set (March 14) is that London Transport has given a great deal of thought to the introduction of a more efficient system of fare collection on the Underground. As a result, Greater London Council is now considering proposals for an automatic system designed to eliminate fraud by

facts. Whether he likes it or barriers would be replaced by licences for UK operation. Marky Flat-fare systems, as has been

abroad who operate them, are not the obvious answer; flat fares by local authorities and the require a vast increase in public subsidies in order to keep the applies in Paris—mentioned by Miss Bassett—even though the sion to the Chancellor, is For the past year a working Miss Bassett—even though the immending that excise duties party of the Burnham Comfat fare covers an area only about the size of that bounded by our Circle Line; graduated er personal tax allowances; sentatives has been charting the farcs are charged on new lines council's justification for erosion of Houghton salaries. A which go further out into the

Airport needed in Scotland

From the Secretary, Edinburgh Rimway Action Group

Sir,-The response of recent correspondents on the subject of a third London airport is of course predictable. No one wants such an airport anywhere near them because of the noise and pollution.

... But why does your zerospace correspondent. Michael Donne (March 8) debate the issue of a third London airport in isolstion from the national context? Surely the policy of regionalisation discussed in the Department of Trade's Airports Policy document a year ago should not be discounted. It is an obvious solution to the chronic overcrowding of airport facilities in

The Board of Trade produced report as long ago as 1969 in which it showed that a Central Scotland Airport would be coping with a passenger throughput about 12m by 1985. It would replace the present ridiculously uneconomic situation in central Scotland where Edinburgh, Glasgow and Prestwick airports compete for passengers while, at the same time, producing noise and pollution problems far in excess of those likely to be associated with a CSA.

It is time to attempt a radical but effective reorganisation of the UK's airports system that takes proper account of regional needs and environmental issues.

Peter R. Cooke, Edinburgh.

The scarce pilots

From the Immediate Past Master, Guild of Air Pilots and

Sir,-It was with interest that

I read the article by Michael Donne (March 13) on scarce pilots. The guild has been conof this impending shortage for a long time. A committee enquired into entry into the profession and its recommendations have since en passed to the appropriate quarters. The guild hopes to be able to render assistance not only in the provision of the numbers of pilots required but above all in maintenance of air

A source of pilot supply which you do not mention is the help. making it impossible for any recruitment of overseas pilots body to get on to the Under- and the validation, where necesground without a ticket. Manned sary, of their commercial SW1.

expense of their respective Governments, at a time when there was no sponsored training for aspiring British playts in

A further source of loss of numbers in the near future could be a drain of qualified pilots to overseas air knes — in search of enhanced sa karies. The cost of living is escalating more rapidly in this country than in most of our European neighhours-and taxation abroad is often more benign for professional people. Cannot we encourage our Government to put money into a disciplined and growing avalation industry which cannot be, termed a "lame It will be a sad day if we design the supersonius of the future and can neither produce them near the pilots to fly

Captain A. Caesar-Gordon, DFC, PO Box 13, Air Terminal. Buckinghand Palace Road, SW1.

Not wanted in Cublington

From the Vice-Chairman, Friends of the Vale of Lylestaurų.

Sir,-Now that formal study of the options discussed for a third London airport has begun (March 3), it would perhaps be appropriate to recall that the protest of the people of Bucking-hamshire was so strong in the early 1970s as to cause the Gov ernment of the day to abandon the Cublington solution at that time. Let us asure all concerned that environmental considerations and the indignation of the people are just as cogent today as they were at that time, and will remain so at least into the

Nicholas Murray. The Old Vicarage, Aston Abbotts, Near Cublington. Buckinghamshire

Squaring one's beliefs

From a Vice-Chairman, Greater London Young Conservatives.

Sir,-John Nott MP, in his speech (March 15) criticising Britain's bigh contribution to the EEC budget and calling for a complete overhaul of the common agricultural policy has highlighted the dilemma of those Conservatives who believe in less rather than more state interference in the economy and believe in cheap food produced efficiently rather than dear food, however produced.

Squaring one's beliefs in the free market with, to quote Mr. Nott, "the inherently socialist manner" in which the EEC moneys are dispersed is proving impossible. Squaring the interests of all the British people with the excessively high price of Common Market food and one's own conscience with the destruction of tons of food is also proving impossible. Perhaps the European Movement can

Charles Smedley. 32 Smith Square,

New subsidiary for BBC

BBC ENTERPRISES, the BBC's commercial sales operation, is to become a wholly-owned subsidiary. The change should take effect from April 1.

The headquarters of the company wili remain Villiers House, The Broadway, Ealing, but it is expected to move to a site near the Television Centre in

More powers for police urged A NEW Highway Code-type mend that suspects should not simplified and powers of search booklet to help educate the be held for more than 36 hours strengthened. public about their rights and without authority from the

in written evidence to the Royal ments for costs. Commission on Criminal Proommission on Criminal ProAt the same time, they argue
for more powers for police, saying powers of arrest should be

Criminal procedure, to a

police power is suggested today courts, and they call for large extent, are denied powers by the Magistrates' Association simpler bail procedures and an to the police as a matter of alteration to "unfair" arrange- principle, the evidence reads. and "has covertly relied for its operation on ignorance of rights bluff and some degree of



We will make the whole scheme really work for your shops, offices, factories, warehouses and hotels We will produce a feasibility study We will negotiate the planning and advise on rating We will arrange the funding and project management And then we will sell it or let and manage it for you Or arrange a sale of the resulting investment



Probably the most diversified property service in the world

Lonrho hits out at Arab Board move and share dealings

BY ARNOLD KRANSDORFF

Lonrho, the trading and industrial conglomerate, has hit out strongly against attempts by Sheikh Nasser Sabah Al Ahmed, who controls a major shareholding, to replace two Lonrho directors with his own representatives.

The Sheikh and another Arab. Dr. Khalil Osman-both former directors of Lonrho—are also criticised for their dealings in Lourho shares; the company claims that since October 1974, the dealing activities of Sheikh Nasser and his associates, which allegedly included purchases of upwards of 6m shares and sales of more than 4m, "detrimentally affected the share price of

shareholders to reject the Sheik's proposals in a forthcoming poll. Under the proposals, Mr. Philip Tarsh and Mr. Paul Spicer would be displaced by Mr. Thomas Ferguson and Mr. Euan Macdonald, both executives in Sheikh Nasser's Kuwaiti and Sharjah Longho says that the proposed

nominee replacements are both insufficiently experienced. The representation of Sheikh Nasser's interests—amounting to 21 per cent of Lourho's capital through Gulf Fisheries, a Kuwaiti com-pany—does not by itself justify the election, Lourho states.

The Lourho directors say they would not welcome a return to the Board of Sheikh Nasser or another of his associates.

"Sheikh Nasser is a large nounced in favour of United shareholder of Lonrho but he Fisheires) to show a surplus of did have two seats on the Board £6.1m.

for nearly two years, during which time he made no contribution to our company, although he presumably found the share-holding useful," says the circular.

Lonrho claims that while on the Board. Sheikh Nasser, Dr. Khalii Osman and their associated companies, "traded heavily in Lourho shares," It says that Gulf International (UK)—said to be 55 per cent owned by Sheikh Nasser's father and the remaining 45 per cent by Dr. Khalil—"dealt very actively in Lonrho shares as from December

Replying to Sheikh Nasser's representative who, at the annual meeting on March 8 stated that Lourho's share price over the past five years or so had not been impressive. Lonrho says that the history of the Kuwaiti share involvement, and the benefits derived, show that Sheikh Nasser has little cause for complaint.

After adjustments for rights and bonus issues, the average cost of the shares allotted by Lonrho to Sheikh Nasser and his associates is reduced to 66.3p. Lonrho notes that at December 31, 1974. United Fisheries, which had then lost the sterling equivalent of £10.8m out of its original capital of £14.76m. revalued its investment in 8.6m Lonrho shares (including 8m shares allotted to Sheikh Nasser

CONSOLIDATED INCOME STATEMENT

Investment income

Interest earned

Surplus on realisation of invest-

Underwriting commission

Administration expenses

Prospecting and mineral rights

expenses
Provision no longer required against loans and invest-

Group profit before taxation

South African normal taxation ...

Preference dividends

Equity earnings

No. 61 — (interim) of 100

Transfer to general reserve

Unappropriated profit from

Adjustment thereto arising from

Unappropriated profit, February 28 1979

on or before March 30 1979.

15 per cent.

changes in exchange rates

Deduct:

per share ...

ments (1977: provision made)

Interest paid ...

Fourteen

76 749

1 898

(215)

4 842

4 079

102

4 181

5 046

Final dividend No. 62 of 150 cents per ordinary share (1977: 85 cents) for the fourteen month period ended February 28 1979 has been declared payable to shareholders

registered in the books of the company at the close of business on March 30 1979 and to persons presenting coupon No. 62 marked "South Africa" detached from share

The ordinary share transfer registers and registers of members will be closed from March 31 to April 12 1979, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about April 26 1979. Registered share holders paid from the United Kingdom will receive the United Kingdom augments on April 17 1070 of

United Kingdom currency equivalent on April 17 1979 of the rand value of their dividends (less appropriate taxes).

Any such shareholders may, however, elect to be paid in

South African currency, provided that the request is received at the offices of the company's transfer secretaries

The dividend is payable subject to conditions which can be inspected at the head and London offices of the

company and at the offices of the company's transfer

The effective rate of non-resident shareholders' tax is

This revaluation, it says, creased the value of United Fisheries' investment in Lonrho from £6.5m to £12.6m-an increase of more than 90 per cent in excess of cost just 20 days after the allotment by Lonrho.

() () ()

Anglo American Gold

Investment Company Limited

(Incorporated in the Republic of South Africa)

Preliminary Profit Announcement and Balance Sheet and

Notice of Final Dividend on the Ordinary Shares

Subject to final audit, the abridged consolidated income statement of Anglo American Gold Investment Company Limited and its subsidiary companies for the fourteen-month period ended February 28 1979 and the abridged consolidated balance sheet at that date, are as follows. Although the results are for a fourteen-month period investment income, with the exception of a third dividend of R1 244 000 from Gold Fields of South Africa Limited, is comparable with that for the previous financial year.

R000's

45 189

1 790

47 663

1 016

1 689

1 625

1 725

6,055

41 608

41 507

41 507

17 562

18 659

9 000

41 221

286

3 793

_

3 793

4 079

FINAL DIVIDEND

347

Issued share capital

Distributable reserves

Represented by:

Current Assets

Debtors

Ordinary shares

Preference shares

Non-distributable reserves

Listed investments — merket value R1 095 077 000 (1977:

Unlisted investments — directors' valuation R7 518 000

Cash on fixed deposit and at

Current liabilities Shareholders for dividend No.

Short term loan

Creditors

Net current liabilities

Equity earnings per share—cents

Dividends per ordinary share —

Net asset value-cents per skare*

Ashford, Kent TN24 SEQ.

investments at directors' valuation

* Includes listed investments at market value and unlisted

secretaries, Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001, and Charter Con-solidated Limited, P.O. Box 102, Charter House, Park Street,

only at the offices of Barclays National Bank Limited, Stock Exchange Branch, Diagonal Street, Johannesburg 2001, South Africa — Union Bank of Switzerland, Bahnhoistrasse

45. Zurich, Switzerland — Credit du Nord, 6 and 8 Boulevard Haussman, Paris 9e, France and Banque Bruxelles Lambert, 2 Rue de la Regence, 1000 Brussels, Belgium.

Coupons must be left at least four clear days for examina-

Note: Proceeds of dividends in respect of coupons marked

"South Africa," may, at the request of the depositors,

be converted through an authorised dealer in exchange in the Republic of South Africa, into any currency. The effective rate of exchange for conver-

sion into any such currency will be that prevailing at the time the proceeds of the dividends are deposited with the authorised dealer in exchange.

Holders of share warrants to bearer are notified that the dividend is payable on or after April 27 1979 upon presentation of coupon No. 62 (marked "South Africa")

(1977: R5 289 000)

R760 811 000)

According to Lonrho, Sheikh Nasser, who held 35 per cent of United Fisheries, substantially benefited from the increase in the share price of that company during 1976. "Thus the book cost of the investment in the Lonrho shares

to Sheikh Nasser was greatly inflated by this private transaction between Gulf Fisheries and United Fisheries, which enabled United Fisheries to make a profit of over 100 per cent on its Lonrho investment by selling Lonrho at 180p per share when the middle market quotation was 128p. Such an operation would be unheard of in the UK."

Lonrho concludes: Contrary to all expectations, the association with Sheikh Nasser and his companies did not help Loarho to develop any new business in the Middle

The duty of directors is to represent impartially the best in-terests of the company, not of any particular shareholder. By their share dealings, Sheikh Nasser and his associates demonstrated their disregard for accepted City practices.
 The election of Sheikh Nasser's nominees to the Board could not have any beneficial effect on the price of Lonrho's above.

CONSOLIDATED BALANCE SHEET

Hoover sales improvement: confident of better profits

RECENT IMPROVEMENTS in sales levels at Hoover, in both home and export markets, will The following companies have notific

home and export markets. Will continue in 1979, says Mr. M. R. Rawson, chairman, in his annual review, and he is sure of better profit levels.

As reported on March 2 sales volume of this domestic electrical appliance manufacturer, increased in 1978 but severe pressure on margins persisted. Tuxable profits dropped from £7.2.24m to £5.3m on turnover of £212.1m against £191m. Also the total net dividend is cut from 14.830 to 12n. £212.1m against £191m. Also the total net dividend is cut from

Mr. Rawson says the company will benefit from the examination of all aspects of the business made during the year, and measures now being effected will enhance profit margins, even though some reorganisation costs will be mucurred.

In the UK a sales drive to increase product spread through independent outlets and to in-crease availability of group products through a wider range of retailers is proceeding well,

With difficult environment in most overseas markets, and industry sales of domestic appliances generally static, intense marketing activity was necessary to maintain sales levels in 1978, he says.

On its manufacturing side the company's major task is to im-prove productivity and manu-facturing efficiency to reduce unit costs.

Closure of some of the smaller outlying plants, including Dowlais in Merthyr Tydfil, and Hamilton and Carfin, in Glasgow and transfer of their production

31.12.77

R000'a

21 952

29 630

51 582

113 000

168 661

184 731 - ...

340

4 955

190 026

14 586

14 644

17 014

36 009

21 365

168 661

189.1

165

3 415

58

4079

21 952

2 500

52 130

76 582

208 628

4 351

211 271

12 358

24 476

35 834

32 928

39 477

208 628

5 476

Mar	2
Mar	2
1010	=
Mar.	2
Mar.	2
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Mar.	Z
Bast.	2
And	_
	Mar. Apr. Mar. Mar. Apr. Apr. Mar. Apr. Mar. Mar. Mar.

to the main factories will result

in cost savings. The proposed expansion at Cambuslang will not continue, but the new building at Merthyr, of some 400,000 sq ft, is progressing; this will be available for occupation in 1980.

Deferment of the Cambuslang

for occupation in 1980.

Deferment of the Cambuslang expansion and postponement of new products at Merthyr, has led to significant reductions of capital authorisations. At year end contracts placed amounted to £5.6m (£6m), and £13m (£26m) had been authorised but not com-

mitted.
Capital expenditure priority is being directed towards cost re-duction projects, Mr. Rawson

Meeting. Perivale, Middx., April 10 at 10 am.

FT Share Service

The following securities have been added to the Share Infor-mation Service appearing in the

Marsh and McLennan Companies (Section: Overseas — New Morris and Biakey Wall Papers Harrisons.

Nord (Compagnie da) (Section: Overseas—Paris). Smallshaw (R.) (Knitwear) (Section: Textiles).

Drapery and

Goodman Bros. first half rise

PRE-TAX PROFITS of Goodman Brothers and Stockman, clothing manufacturer, increased from £254,000 to £324,000 for the half year to October 31, 1978. Turnover was up to £6.38m against £5.11m, and included £1.3m exports compared with £1.1m. For the half year tax takes f168,000 against £132,000 giving earnings of 1.581p (1.271p) per 5p share basic, and 1.573p (1.23p) fully diluted.

Castlefield Rubber goes ahead

Taxable profits of Castlefield (Klang) Rubber Estate is shown up from £257,000 to £386,000 in the six months to December 31, 1978. Tax is given as £185,000 (£135,000).

The figures are based on an estimate for the full year, propor-tioned for six months. Last year the company turned in pre-tax profits of £477,000, against £707,000. In his annual statement the chairman said the prospects for the current year were for a recovery of crops from the effects of the 1976-77 drought. He added that if prices for the company's commodities continued at current levels improved

results could be expected. Harrisons and Crosfield at January 11 this year had a 57.88 per cent interest in the company. but it is not a subsidiary of

BIDS AND DEALS

ICFC FINANCE FOR COIN SPECIALIST

Industrial and Commercial Finance Corporation has pro-vided a long-term fixed rate loan of £100,000 to London's leading coin specialists B. A. Seaby.

The finance has been used for the acquisition of the numismatic interests of John Drury (Rare Books) of Colchester.

Through the acquisition Seaby has become the world's largest dealers in antiquarian books on

numismatics.
Scaby was started in 1926 as a dealer in English and Roman coins. The company also deals in coins from the ancient world, European medieval coins, oriental

GRAND MET. BUYS DANISH HOTEL

Grand Metropolitan Hotels, the hotel operating subsidiary of Grand Metropolitan, has agreed to buy the Hotel d'Angleterre in Copenhagen. This is Grand Metropolitan's first hotel purchase in the resign It is bored. chase in the region. It is hoped that completion will take place in about one month's time, the directors say.

CROWN HOUSE The offer by Gresham Trust on behalf of Crown House to acquire the capital of Best and May not already owned has been declared unconditional.

Acceptances have been received in respect of 1,568,697 ordinary shares. Taking into account the 442,500 ordinary shares of Best and May (19.67 per cent) owned within the Crown House Group when the offer was announced and the 61,75? nares acquired or agreed to to acquired since the annumencement, the Crown House now owns or has received accept-ances in respect of 92.13 per cent of the capital. The offer has been extended to 3.30 p.m. on April 4, 1979.

Dealings in the new ordinary shares without documents of title will commence on March 15.

BIRMID QUALCAST
GERMAN DEAL OFF
BIRMID QUALCASTS plans for
a 49 per cent participation in a
new foundry operation at Neunkirchen, West Germany, will not
now be implemented.
The decision results from a
late major change in proposals
by the prospective American
partner, which was unacceptable
to Birmid Qualcast.

to Birmid Qualcast.

LEIGH INTERESTS

merchant, of Dudley. The consideration was some £300,000 cash. Timmins is complementary to Leigh's existing subsidiary, Hockley Heath Building Supples, and this should lead to Timmins making an increasing contribution to Leigh's profits.

TKM ACQUISITION For £236,458 cash Toxer Kemsley and Millbourn (Holdings) has bought the UK forwarding activities of P.LE. Transport Inc., an air and surface forwarder

London, London Airport, Man-chester, Liverpool and Glasgow. These international forwarding activities will be incorporated into the TKM forwarding group.

SIMCO MONEY FUNDS Saturn Investment Management Co. Ltd. 66 CANNON STREET EC4N 6AE Telephone: 61-236 1425

Rates paid for W/E 18.3.79

And a		100
Fri./Sun.	12.498	12.9]1
Thurs.	12,423	12:912
Wed.	12.644	12.984
Tues.	12.644	12,993
Mon.	12.698	13.005
	% p.a.	% p.a.

MINING NEWS

Surge in earnings for Amgold

BY PAUL CHEESERIGHT

THE RISING tide of dividends from South African gold mines has lifted the net profits of Anglo American Gold Investment (Amgold) to R71.48m (£41.6m) for the 14 months to February from R41.5m in 1977.

An announcement today is accompanied by a final dividend declaration of 150 cents (S7.4p), which brings payments for the

which brings payments for the 14 months to 250 cents, against 165 cents in 1977.

Amgold has holdings in more than 25 South African gold mines and has interests in the mining and exploration of Australian and Brazilian gold. It is 48 per cent owned by Anglo American Corporation.

Although the results cover 14 months, they are comparable with 1977 except for a dividend payment of R1.24m from Gold Fields

ment of R1.24m from Gold Fields
of South Africa.

The sharp rise in the profits
was wholly predictable given the
rise in the bullion price since
the beginning of last year and
the higher level of dividends
coming through from the mines.
The bullion price started 1978 at
\$165.125 an ounce and cudod
February 1979 at \$251.625.

Investment income in 1978-79

(£32.3m), compared with K28.5m
in 1977, and production reached
record levels.

But production from the company's existing plant is expected
to decline in future years
because of a falling head grade,
And as the level of ore reserves
is falling, the company is waiting
for permission from the PNG
Government to explore in areas
around the Special Mining Lease.

Bougainville Copper, the Papua New Guinea producer in the Rio Tinto-Zinc group, is unlikely to need major borrowings to finance capital expenditure this year. according to Sir Frank Espie, the chairman, in his annual state-ment. But this depends on copper and gold prices maintain. ing present levels.

Sir Frank said the financial position was healthy. Net earn-ings last year were K48m (£32.3m), compared with R28.5m in 1977, and production reached record levels.

GLOOMY OUTLOOK

No significant recovery in the

AT HAMMERSLEY

demand of Japanese and Western European steel mills for iron ore is expected this year by Hamersley, one of the major Western Australian producers.

The company "is faced with a fairly static opportunity for sales," said Mr. R. T. Madigas, the chairman, in his annual

statement. He also warned, in a gloomy

analysis of the outlook, that costs are expected to rise because of increases in the bills for wages

and salaries, fuel and oversess

But much depends on the industrial climate in the Piloze.

Vaal Reefs to mine at Afrikander Lease

VAAL REEFS is acquiring the right to mine uranium and gold in Johannesburg last Wednesday at the request of the compane, pending this announcement. In London the pre-suspension prices were £161 and 287p respectively. at the Afrikander Lease property in return for the payment of a royalty based on revenue. The agreement, which brings to a conclusion lengthy speculation about whether Afrikander Lease would come to production, is

announced today. Both companies are part of the Angio American group with properties in the Klerksdorp area of South Africa. Their

agreement was foreshadowed in last Thursday's paper. Vaal Reefs is to finance the capital development of the mine and will pay a 5.0 per cent royalty on the gross revenue derived from mineral sales. Addi-tional royalties become due if profits exceed 30 per cent of

revenue in any year.

The plan is for mining to start next December at the rate of 15,000 tons of ore a month. This will be treated at Vaal Reefs existing plant. A new plant at Afrikander would be ready for commissioning in the first half of 1981. Its capacity would be 50,000 tons a month milled, giving a production rate of 385 tonnes of uranium oxide and 460 kilograms of gold.

interest rates.

Last year, when net earnings slipped to ASS4.Sm (£19.1m) from ASST.Sm in 1977 and ship-ments dropped 6.0 per cent. sales were limited more by strikes than by the depressed markets, Mr. Madican said. The shares of both Vaal Reefs
and Afrikander were suspended

Hamersley is part of the Rio
Tinto-Zinc group.

MINING BRIEFS

LEIGH INTERESTS

Leigh Interests has completed the purchase of Timmins and Foulkes, builder and plumbers

MOUNT ISA MINISS—Production for one treated 327,204 tonnes produced the period February 12 to March 11; ladd one treated 193,699 tonnes, produced 11,700 tonnes; and elect and one for February 34.46 tonnes (January 11,700 tonnes). 15,017 tonnes zinc concentrates, Copper 55 tonnes).

LOCAL AUTHORITY BOND TABLE

	Annua	l Interest	:	Life
Authority (telephone number in parentheses)	gross interest	pay-	Minimum sum	of bond
	- %		£	Year
Knowsley (051 548 6555)	. 12‡	}-year	1,900	5-7
Poole (02013 5151)	. 113	-year	500	23
Poole (02013 5151)		i-year	500	4.5
Reading (0734 592325)	13}	maturity	1,000	5
Redbridge (01-478 3020)		-year	200	4-5
Sefton (051 922 4040)	111	}-year	2,000	5-7

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 30.3.79. Terms (years) 3 4 5 6 7 8 9 10 Interest % 11; 11; 11; 12 12 12; 12; 12; 12; Deposits to and further information from The Chief Cashler, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-928 7822, Ext. 177). Cheques payable to "Bank of England, a/c FFL" FFI is the holding company for ICFC and FCI.

Rotaflex Rotaflex (Great Britain) Ltd.

An improving outlook

"Although it is difficult to forecast the level of activity in the home market at this time of industrial unrest, there are however now signs of a slight upturn in France and Germany. Taking this into account; and providing there are no long term material shortages arising from the present industrial climate, I look forward to a marked improvement in results in

MICHAEL FRYE, CHAIRMAN

۱	· · · · · · · · · · · · · · · · · · ·		
	Year ended 31st December TURNOVER PROFIT BEFORE TAXATION EARNED FOR SHAREHOLDERS	1978 £20,421,600 £1,238,600 £950,500	1977 £17,969,800 £1,533,700 £812,000
	DIVIDEND PER SHARE (NET) EARNINGS PER SHARE	2.3126p 9.4p	1.5998p 8.4p

The Annual Report and Account are available from the Secretary, Rotaflex (Great Britain) Ltd., Rotaflex House, 241 Gity Road, London EC1V 1JD.

It is anticipated that the forty-second annual report of the company in respect of the fourteen-month period ended February 28 1979 will be despatched to members on or about May 3 1979. By Order of the Board,

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED .

per H. J. E. Stanley London Office:

Head Office: 41 Main Street. Johannesburg 2001. March 19 1979

Secretaries

Companies Secretary 40 Holborn Viaduct, ECIP 1AJ.

CURI

ed Markets INTNL. COMPANIES and FINANCE PENDING DIVIDENDS RECENT ISSUES

St-Gobain confirms setback

ET PROFIT last year at Saintobain-Pont-a-Monsson, France's quoted company, opped at parent company vel to FFr 266m (\$62m) from Fr 354m in 1977, following the me trend as the group as a

Operating income fell Fr 168m from FFr 218m, ainly because of a decline in vidend income, lower profits the company's West German anch, higher depreciation and gher financial costs. The vidend is being mainined at a net FFr. 9.70 r share, but this will paid on higher share capital llowing the company's new ne at the end of last year. Exclier, the company nounced group net profit of Fr 450m down from FFr 642m. estimated net sales of 34.3bn, compared with

Peru arranges Euroloan

HE PERUVIAN state oil ency, Petroperu, is arranging 535m pre-export financing in e Eurocurrency markets. It arks Peru's first Euromarket edit since the recent re-heduling agreement signed th the IMF and commercial

inks.

A small group of banks led

the London-based Libra

ink is organising the shorted by Banco de la Nacion, the

nate bank. In Tokyo, Sumitomo Bank infirmed that a group of 12

The eight-year loan carries a development in Pahang coast in the South China Europe,

Sharp advance for Swedish builder

BY VICTOR KAYFETZ IN STOCKHOLM

BALKEN, the Swedish con-negligible impact on the 1978 struction group, more than doubled its pre-tax profit from SKr 26.1m to SKr 56.6m (\$13m) for 1978, a slightly better performance than was predicted in the eight-month report. The board recommends a dividend of SKr 7.50 per share, up from SKr 6.

Turnover rose 6 per cent to SKr 3.5bn (\$801m), while in-coming orders totalled SKr 4.1bn or 15 per cent higher than in 1977. The order book stood at SKr 24bn on the last day of 1978, compared with SKr 1.8bn a year earlier.

The company attributed its improved earnings to construction projects both in Sweden and abroad, and to its property sales operations, adding that the absence of foreign currency exchange losses compared with 977 was another positive factor.

The merger of Balken's two main subsidiaries, Armerad Betong and ABV, completed in

venture accounts.

is SKr 13.6m against SKr 17.5m. The proposed dividend totals SKr 6.1m, compared with SKr 4.9m. Iggesund, the Swedish pulp, board, steel and chemicals Group, recovered strongly in the last five months of 1978 to record a pre-tax profit of SKr 52.9m (\$12.2m) for the year, against a loss of SKr 8m in 1977. The board proposes to

After allocations of SKr 40.5m

and taxes, net profit for 1978

raise the dividend by SKr I to SKr 8.50, paying shareholders a total of SKr 20.8m. In its seven-month report, the company had reported a loss of SKr 23m but bad predicted an improved market for pulp later

in the year. The 1978 pre-tax figure includes currency gains of SKr 6m on long-term foreign loans, compared with a 1977 currency loss of SKr10m on such loans, Sales rose 19.8 per cent to 1977, had cost about SKr 20m SKr1.648bn (\$372m) last year, during that year. Expenses with 70 per cent being exported, related to the merger had only against 67 per cent in 1977.

Petronas absorbs South China Sea concession

BY WONG SULONG IN KUALA LUMPUR

PETRONAS CARIGALI, the ex-

Petronas chairman, has con-firmed that the Conoco con-sortium had been compensated ipanese banks has signed a for dropping its claim to the intract for a \$175m loan with a rea, but declines to disclose the amount. The Conoco consortium, which included El Paso of Texas and BHP of Australia. The eight-year loan carries a was given a concession in the early 1970s to prospect for oil pected to use the loan for over 7.402 square miles off the

It made several oil strikes in ink is organising the shortrm credit, which will be
paid out of proceeds of oil
les abroad. Peru became a
rt oil exporter last year.
The deal carrying spreads of The deal, carrying spreads of last year by the Conoco conthe circumstances, Conoco and
ound 1; per cent, is guaransortium. Tan Sri Abdullah Salleh, the attractive production sharing agreement from Petronas than those agreed upon by Shell and

> The consortium gave up its rights last year, when Petronas refused to consider relaxing the terms of the production sharing agreement. Conoco claim that the Sotong field has only 20m barrels of recoverable oil, while Petronas believes the amount is in the region of 50m barrels. by 0.75 of a point,

Initial reaction to the long dated Government tap stock was

somewhat confused, and senti-ment was not helped by the authorities method of interven-

clear indication that the Bank of

England was not happy with the

downward trend in interest rates.

A cut in Minimum Lending Rate

remains almost certain in the near future, but as the weeks pass the Budget looks the most

likely time for such a move.

OTHER MARKETS

Mar. 16

the London money This was taken as a

THE POUND SPOT AND FORWARD

onth forward dollar 1.37-1.27c pm; 12-month 2.50-2.40c pm.

tion in market.

Marsh 18

Wheelock in property

By Anthony Rowley in Hong Kong WHEELOCK MARDEN, the major trading house, and

Cheung Kong (Holdings), one of Hong Kong's biggest property developers, have agreed to develop real estate on a joint hasis Agreement has been reached in principle for future redevelopment of Wheelock House and Marden House, both of which properties are owned by Crawford, which in turn is subsidiary of Wheelock Marden.

The statement added that Wheelock Marden and Cheung Kong (Holdings) were "actively pursuing further proposals which it is hoped may lead to further joint venture developments in the field of real

O Hutchison Properties, a sub-sidiary of Hutchison Whompoa group, reports consolidated after-tax profits of HKS 21.9m for 1978. This is virtually unchanged on the previous year's figure, although Hutchison points to a 77.8 per cent in-crease, adding in extraordinary

Prime rate up in Hong Kong

PRIME LENDING rate in Hons Kong was raised yet again of Friday-the fifth time in as many months—in an effort to slow the growth in domestic money supply and to support the Hong Kong dollar. The Hong Kong and Shanghai Banking Corporation and the Chartered Bank, which jointly determine "best lending" or prime rate announced that the rate will rise by 0.5 of a point to 11 per cent

The two banks said the increase was decided upon as a further reflection of the need to curtail the growth of bank advances. Meanwhile, in a separate statement, the 94 member Exchange Banks Association said it had decided to raise all deposit rates by 0.5 of a point, except for the six months rate which will be raised

Mar. 16 | Mar. 15

1,48 1,34 5,38

Gold Builion (fine puppe)

Krugerrand, \$2581g-2651g|\$2531g-2871g (\$21271g-1281g|\$45124g-125g) New [\$571g-991g |\$871g-693g \$covereignst£331g-341g) £2531g-341g)

Gold Coins, Internationally

Knigerrand.82501g.2521gi\$2461g.8 £1234.1244,£121-12

\$0vereigns(E3774,59%) | 877.1% \$90 Eagles. (\$313.518 \$10 Eagles. (\$313.518

For the convenience of readers the dates when some of the For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent, shown in the column headed "Announcement last year." Preliminary and the following the state of the column headed announcement is the same of the column headed the column headed the same of the column headed the same of the column headed the same of the column headed the column he profit figures usually accompany final dividend announcements.

Date	Announce-	B	Аплоциса-
Cale	mant lest	Date	ment lest
"Armstrong	year	*Liverpool Daily	your
EquipmentMar. 21	Ing. Q.B	PostMer. 21	Figal 4,585
Assocd. Biscuit		London BrickApr. 6	Final 1.9602
ManufetraApr. 10	Final 1.88 fest.	*Low and	1 4191 1.30UE
AuroraMar. 30	Final 3.96	BonerApr. 2	Final 7.39
*BICCMar. 29	Final 4.8	"Lucas	
BPM	Int. Q.8125	IndustriesMar. 29	Int. 2.334
Babcock and		*Monzies	
WilcoxApr. 12	finel 2.892	(John)Apr. 24	Final 1.34 (cst
ScotlandApr 4	Final 5.448	Metal	Seed 2 Feat
*Barrati	1 11-01 0.7-10		Final 25136
DevelopmtsMar. 19	Int. 2.64	"Morgan CrucibleApr. 5	Final 2.204
Barrow		Mowlem	
HepbumMar. 8 *Bell (Arthur)Mar. 21	Final 1.9331	(John).,-Apr. 20	Final 5.0
Blue Circle	Int. 2.25	*Newman-	
indsApr. 13	Final 6.4523	TonksMar. 23	Int. 3.559 fcst.
*Booker	111010090	News IntlApr. 6	Final 4.9
McConnellMar. 29	Final 3 952fcst.	Ocean	
*EowaterApr. 5	Small 5.7864	TransportApr. 3	Final 4.3273
*Bowning (C. T.)Mar. 22	C	OfrexApr. 5	Final 2.34
*Bntisk	Final 2.0393	Poarl	
AluminiumMar. 21	Final 30.0 fest.	AsseranceApr. 6 Peerson	Finaf 8.735
Brit. Printing	4	LongmanApr. 21	Final 4.236
CorpnApr. 6	Final 2.4 [cst.	Pearson (S.)Apr. 21	Final 4.809
Brown Boveti	F: 100	Phoenix Assur, Apr. 5	Final 5.77
KentApr. 14 *Cadbury ·	Final 1.0	Prudential	1 11141 3.77
SchweppesApr. 5	Final 2 09143	AsscoMar. 30	Final 4.198
*Cape IndsApr. 8	Final 5,302	Ready Mixed	
Cons.	•	ConcreteApr. 13	Final 3.27
Gold Fields Apr. 5	Int. 3.1916	Reckett and	
Coral LeisureApr. 20 Crode IntnlApr. 6	Final 3.6 fcst, Penal 1,192	*Reed *Colmen,Mar. 30	Final 5.95478
CurrysApr. 17	Final 4.54		Final 1.859
Dickinson		*RockwareMar. 29	Figur 3,2845
Robinson .Apr. 13	Final 4,448	Howntrea	
DunlopApr 20 Eagle StarApr, 12	Final 2.455	MeckintoshApr., 13	Final \$.4175
English	, Final 3.1262	Rugby Portland	
PropertyMar. 30	Final 1.05 fest.	CementApr. 17	Final 1 809
*Exeanded	10414	Schroders Mar. 22	Final 8.4401
MetalMar. 19	COOPL 2: DE	*Scottish	les 0.6
GlassoApr. 10	Int. 4.5	Met. PropApr. 2 *Stough	Int. 0.9
GlynwedApr. 12 *Guardian Royal	Final 5.75	EstatesMar. 28	Final 1.515
ExchangeApr. 11	Final 5.9304	*Smith (W. H.) Apr. 11	Final 0.2978
Guest Keen and		*Smiths IndsApr. 10	Int. 3.2853
NettlefoldsApr. 4	Final 10.059	Spirax-Sarco Apr. 3	Final 5.19
Hawker		*Stone-Platt	C
SiddeleyApr. 18 *Hepwarth	Final 2.201	IndsMar. 22 *Sun AffianceApr. 4	Final 1.33 Final 9.245
Ceremic,Mar. 20	Finel 1.75	Taylor	F1441 3.243
Hepworth (J.) 'Apr. 21	Int. 0.72	WoodrowApr. 6	Fni 6.4853 jest
Hewden .		*Telaphone	_
StuartApr. 10	Final 0.8684	RantalsApr. 25	4.3
House of	Fi 0 0000	*Tilling (T.)Mer. 21 *Tube	Finel 2.315
Fraser,Mar. 30 Howden	Final 3.0776	InvestmtsMar. 21	Final 11,124
(Alexander)Mar. 29	Final 4.09	VosperMar. 14	Final 2.5 fcst.
Jacobs		Weterford	
Jacobs (John I.) Mar, 21 LWT Mar, 30	Final 1.2991	GlassMar. 20	Final 0.7395
LWT Mar. 30 LadbrokeMar. 29	Int. 3.555	*Weir GroupMar. 21 *Willis FaberMar. 20	Final 3.509
LadbrokeMar. 29	Final 4.0	*Willis FaberMar. 20	Final 5, 125

* Board meetings intimated. † Rights issue since made. † Tax free § Scrip issue since made from reserve. CLIVE INVESTMENTS LIMITED 1 Royal Exchange Ave., London BC3V 3LU. Tel: 01-283 1101.
Index Guide as at March 6, 1979 (Base 160 on 14.1.77)
Clive Fixed Interest Capital 145.42
Clive Fixed Interest Income 118.43

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

I.G. Index Limited 01-351 3466. Three months Copper 1009.7-1018.3 Lamont Road, London, SW10 0HS. Tax-free trading on commodity futures.
The commodity futures market for the smaller investor.

INSURANCE BASE RATES

†Property Growth †Vanbrugh Guaranteed 10.25%

†Address shown under Insurance and Property Bond Table CORAL INDEX: Close 511-516

FIXED INTEREST STOCKS High Low | F.P. 23,2 | 85p| 53p Chepstow Race'e 5g Cnv. Uns. Ln. 1988 | 85p| | 220| 20 | 1912||CFC 1212g Uns. Ln. 1992 | | 1912||-12 | £10:27/7 | 133a| 12 | Lae Valley Water 6g Red. Pff. 1986 | 1312 | | F.P. 14/6 | 9912 | 9714||Mid-Southern Water 8g Red. | Pff. 1984 | 9912 | | 9/3 | 102p| 95p | Shaw Carpets 10g 2nd Cum. Pref.£1 | | 102p| + 1 "RIGHTS OFFERS" 1978/9 High | Low

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. a Assumed dividend and yield. Forecast dividend: Cover based on previous year's earnings. P Dividend and yield based on prospectus or other official estimates for 1379, o Gross, * Figures assumed. Cover allows for conversion of shares not now ranking for dividend or ranking only for restricts. dividends. \$ Placing price to public. \$7 Pence unless otherwise indicated. \$1 Issued by tender. \$1 Officed to holders of ordinary shares as a "rights." * Issued by way of capitalisation. \$5 Reintroduced. \$1 Issued in connection with reorganisation, marger or take-over. \$\frac{1}{2}\] Introduction. \$\frac{1}{2}\] Issued to former preference holders. \$\mathbf{E}\] Allotment letters (or fully-paid). \$\mathbf{P}\] Provisional or partly-paid allotment letters. \$\mathbf{W}\] With warrents. \$\frac{1}{2}\] Unlisted security.

BASE LENDING RATES

A.B.N. Bank 13 %
A.B.N. Bank 13 %
Allied Irish Banks Ltd. 13 %
Amro Bank 13 %
American Express Bk. 13 %
American Express Bk. 13 %
A P Bank Ltd 18 %
A P Bank Ltd,
Associates Cap. Corp 14 %
Passociates Cap. Corp., 19 19
Banco de Bibao 13 %
Bank of Credit & Cmce. 13 %
Bank of Cyprus 18 %
Bank of N.S.W 13 %
Banque Beige Ltd 13 %
Banque du Rhone et de
le Terrie CA
la Tamise S.A 131%
Barclays Bank 13 %
Bremar Holdings Ltd. 14 % Brit. Bank of Mid. East 18 %
Brit. Bank of Mid. East 18 %
Brit. Bank of Mid. East 13 %
Brown Shipley 13 %
Canada Perm't Trust 13 %
Course I tel
Cayzer Ltd 13 %
Cedar Holdings 13 %
Cedar Holdings 13 % Charterhouse Japhet 121%
Chaulantana tapagein 12170
Choulartons 13 %
C. E. Coates 13 %
Consolidated Credits 134%
Co-operative Bank 13 00
Co-operative Bank 13 % Corinthian Securities 13 %
Corinthian Securities 13 %
Credit Lyonnais 18 %
The Cyprus Popular Bk. 13 %
Durant Tar Cypius Copulat Dr. 10 '6
Duncan Lawrie 13 % Eagil Trust 18 %
Eagil Trust 13 %
English Transcont . 13102
First Nat. Fin. Corp 14 %
First Nat. Secs. Ltd 14 %

Hambros Bank 13 %
Hill Samuel 513 %
C. Hoare & Co. 513 %
Julian S. Hodge 14 %
Hongkong & Shanghai 13 %
Industriel Bk. of Scot. 131 %
Knowsley & Co. Ltd. 14 %
Lloyds Bank 13 %
London Mercantile 13 %
Edward Manson & Co. 14 %
Midlaod Bank 13 %
Samuel Montagu 13 %
Norwich General Trust 18 %
Norwich General Trust 18 %
Rossminster 13 % Royal Bk. Canada Tst. 13 Schlesinger Limited ... 13 E. S. Schwab 14 Security Trust Co. Ltd. 14 Trade Dev. Bank ... 13 %
Trustee Savings Bank 13 %
Twenneth Century Bk. 14 %
United Bank of Kuwait 13 % Whiteaway Laidlaw ... 131% Williams & Glyn's 13 % Yorkshire Bank 13 % Members of the Accepting Houses Committee. 7-day deposits 10²3%, 1-month deposits 10²3%.

7-day deposits on sums of £10,000 and under 10½% up to £25,000 11% and over £25,000 11¼%.

This advertisement is placed by Kleinwort, Benson Limited and Aseambankers Malaysia Berhad on behalf of Sime Darby Holdings Limited.

TO THE ORDINARY SHAREHOLDERS OF

GUTHRIE

Please consider the following facts:

- * IN DECEMBER 1978, your Board forecast profits below the 1977 level and total dividends for 1978 of not less than 15p per share.
- * IN JANUARY 1979, Sime Darby made an offer for your Guthrie Ordinary Shares.
- * IN FEBRUARY, your Board remarkably forecast a final dividend increase of 40% on an increase in earnings of 3%. * ON 1st MARCH, Sime Darby announced an increased offer for your
- Guthrie Ordinary Shares. * ON 7th MARCH, your Board forecast a further and hardly credible leap in profits and dividends for 1979.
- * THE FORECAST DIVIDEND FOR 1979 is entirely dependent on this profit forecast being achieved.

WHAT CONFIDENCE CAN YOU HAVE IN FORECASTS MADE IN SUCH CIRCUMSTANCES?

- * In 1978 the share price ranged between 400p and 211p it is
- * Our offer represents an increase in capital value of more than 50%.
- * The real cause of the price rise has been Sime Darby's interest in the shares.

WITHOUT OUR INTEREST THE SHARE PRICE WILL FALL.

You are therefore urged to accept the offer by 3.30 p.m. on THURSDAY, 22nd MARCH, 1979.

If you wish to obtain a Form of Acceptance and Transfer or would like further advice as regards accepting the offer, please telephone Kleinwort. Benson Limited on

01-623 8000

The Board of Sime Darby has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate. All the Directors of Sime Darby jointly and severally accept responsibility accordingly.

CURRENCIES, MONEY and GOLD EMS starts without fuss

BY COLIN MILLHAM

The European Monetary System level for the yen since Jure last sterling down, with the pound m made its long awaited start year. Central bank support for easing to \$2,0305 on Friday, st week with very little fuss the yen was probably over \$1bn possibly reflecting profit taking problem. Two currencies during the first three days of last in the gilt-edged market and a decline in commercial demand. us continued to attract the On Wednesday the Bank of oat attention. The Japanese yen Japan alone was believed to have no part of the system for ob-sold 3800m, with reports of fur-nus geographical reasons, while ther support for the yen by the remains outside for rious reasons, which are now ainly political rather than econ-

Japan's currency took a heavy ittering, with the dollar climb-Y209.121 at the Wednesly Tokyo close, the weakest

CURRENCY RATES

March 15	Bank rute 3		*Europ'n Currency Unit
eritng	13	0.681635	0.663647
B, S	91e	1.38573	1.35026
nadian ₹	1117	1.50842	1.58453
Istria Soh	35.	17.5534	18.4310
ilgian F	6	37.3776	19.7651
unish K	8	6.66522	5.99978
mark	3	2.39480	2.51647
Alder	612	2,58589	2.71591
ench Fr	910	5.51771	5.79868
Fig	1012	1083.23	1135,37
an	512	266.210	980,111
wgn, K	7	6.55272	6.88766
Manish Pes.	8 -	_	93.4580
vedish Kr	6lg i	5.60836	5.89630
Viss Fr	1 i	2.16131	2.26978
The Europ	zeen (Init of Ac	count has
APR conlocad	her th	A Furnaga	Currency

Exxon's decision to reduce by 0 per cent oil sales to nonaffiliated Japanese oil companies was the immediate reason behind the yen's fall, but the currency was already feeling a cold draught as a result of sagging

helped by news that Japan's

in the Japanese By the end of the week the yen had recovered to Y207.40

Februar	CY.		_	
Sterli	TE COL	timue	to lea	ad the
upward	_ move:	ment	ın Eur	opean
currenc	ies at	the	beginni	ng of
the wee				
index,				
figures,	rising	to 65.8	on Tu	esday,
the hi				
Februai				
4	4000		100 AL	
terms it				
level si:	nce the	e end	of Octo	ober.
E	45	-1441-	AF 45-0	b

DUIL	Sammar's frame center man neer
663647 35026	turned into a surplus in February.
58453	Sterling continued to lead the
14310	upward movement in European
99975	currencies at the beginning of
51647	the week, with its trade-weighted
71591 7986 8	index, on Bank of England
35,37	figures, rising to 65.3 on Tuesday, the highest level since late
90,111 88766	February last year. In dollar
.4580	terms it touched \$2.0475, the best
89630	level since the end of October.

the Bank of England no longer had to support the dollar to hold

From the middle of the week

arch 16	Day's spread	Close	One month	% p.a.	Three months	p.a
K	2.0300-2.0380	2.0300-2.0310	0.32-0.22c pm		0.80-0.70 pm	
skand	2,0300-2,0380	2.0300-2.0310	0.32-0.22c pm	1.60	0.80-0.70 pm	7.4
anedat	85,10-85,24	BE 78-85.21	0.1c dis-0.1c pm	_	0.5-0.4 dis	-0.2
ethind.	2.0080-2.0115	2.0100-2.0115	0.84-0.74c pm	4.71	2.05-1.95 pm	n 3.9
muiple	29.42-29.45	29.42-29.44	11-9.5c pm		25.5-24.0 pm	
anmark	5,1805-5,1860	5.1845-5.1860	0.25c dis-0.25c pt		0.75-1.25dis	-0.7
'. Ger.	1.8595-1.8845	1.8635-1.8645	1.16-1.06pf pm		3.05-2.95 on	g 5.4
)rtugal	C7.45-46.00	47.55-45.03	30-40c dis		70-135 III.	-8.5
วยเก	III.76-69.26	69.21-69.26	6-16c dis	-1.91	28-38 dts	-1.9
aly	841.25-842.00	841,25-842.00	0.10-0.50lire dia	-0.43	1.50-2.00dis	-0.8
DIWAY	5.0965-5.1020	5,1005-5,1000	1.70-1.20ore pm		2.50-2.00 pm	
Suco	4.2845-4.2910	4.2890-4.2910	1.30-1.20c pm		3.00-2.85 pm	
waden	4.3640-4.3680	4.3665-4.3680	1.00-0.80ore pm		2.60-2.40 pm	
зрвп	205.80-208.10	207.35-207.45	1.05-0,55y pm		2.95-2.85 pm	
	SO ART SO CEL	55 OC 12 CEL	7 75 7 00		05 0 50 0	

11.41 4.47-4.37 pm 10.51 ...t.U.S. cents per Canadian \$...

THE DOLLAR SPOT AND FORWARD

EXCHANGE CROSS RATES

Deutschem'k|Japan'se Ye Swiss Franc U.S. Dollar. 8.710 4.290 d Sterling 4.085 2.012 1709. 841.4 2.381 1.172 421.3 207.5 1. 0.492 1.079 9.697 461.1 4055 15.79 142.0 0.264 2.374 0.536 4.820 1. 6.991 se Yen 1,009 1962 4.690 1.195 ench Franc 10 /iss Franc 1. 2.391 itch Guilder Man Lira 1,800 1.716 6.831 1 3.981 1.436. 5.715 1.591 6.334

LONDON MONEY RATES

					_					
Mar. 16 1979	Sterling Cortificate of deposit		Local Authority deposits	Local Auth, negotiable bonds	Finance House Deposits	Company Deposits	Discount Market deposit		Eligible Bank Bills &	Fine Trade Balls 🛊
Overnight		12-20	-	-		-	1212-13	_		-
days notice.			1234	-		i —		l — i	- 1	
days or		_	-	1				-	- 1	_
7 days notice		122-123	1234-1278	1 - 1	127g	1275	12-1212		- 1	_
One month		191-194	1214-1212	124e-125e	1275	18	1214	114-113	1212	1234
		124-12a		12-123a	1,254]	1150	114-11	12-12-1	1234
Two months	154-1516	12-4-12-08	11:. 10	114-1158	1256	2.0	1114	114-114	1113-11	12
Three months.	11, 112		1158-12		12	!		24.4.2	10 2-11	
3ix months		117-111	114-1159	1054-111g		l _				
line months		11 6-11 6	-	1114-1150	1170			- 1		
One year	113g-111g	1159-1122	114.117g	1114-1158	1134		i ~	_	- 1	
THE HORSE	· ·		115a-12b	! 1	-	i	_	_ ,		_

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local mortgage rates nominally three years 11%-12% per cent; four years 12%-12% per cent; five years 12%-12% oBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11 per continuous trade bills 12% per cent.

_	ticeday bird (to-mert)	*****
- 23a	GERMANY	-
 23g 23g 2	Orscount Rate	3
	One month	4.35
-	Three menths	4.45
	Six months	4.65
-		
IDTITY	FRANCE	
cent.	Discount Rate	9.5 6.875 6.937
enths Cant;	Three months	7.125
let.	JAPAN	

MONEY RATES **NEW YORK**

MATIONAL

WORLD STOCK MARKETS

Home Office looks at private security

BY OUR INSURANCE CORRESPONDENT

ested organisations, including so has New Zealand. In Canada those representing insurers, and the U.S. controls vary from

industry, involving as it does so-called "private armies," and industry, involving as it does so-called "private armies," and second that there is demand for regulation and control. The authors say arguments against control have received insufficient attention— in particular control would be expensive, and control would be expensive, and would be likely to involve an extension of the right of access

to criminal records. The paper is published to provide background information about the private security industry—to ensure that arguments for and against control are based on facts—and to set out some of the issues to be apprided.

Attempting to strike balance and not drive readers state supervision, is, I guess, and debators in any particular the principal perhaps even the direction, the authors conclude: only, question relevant to direction, the authors conclude: only, question relevant to "It is important on the one hand insurers that the argument of principle However, the discussion paper that the argument of principle implications and, on the other

Public Works Loan Board rates

THE HOME OFFICE has just published The Private Security forces, but Holland is published The Private Security currently considering amend-unterly of laws that have been in force since the 1930s, ery Office price 80p) which has been sent to a number of inter-

and comment has been invited.

In the introduction, the authors explain that government recognises first that there is public concern about the growth of the private security industry interpretations on its description of the security and efficiency of the quality and efficiency of the

ties that 20 to the foundations of the insurances provided. It is in the interests of insurers and all members of the public employing the private security organisations that the services and goods supplied are of known, objectively assessed, adequately high standards are based on facts—and to set that private security staff are considered. It is 31 pages long and comprises five chapters, arguments for control, policy issues and possible forms of control.

Attempting to strike a geography high standards—that private security staff are people of high integrity. Whether such high standards, such high integrity can be achieved and maintained in modern conditions by the security industry by self-regulating codes of conduct regulating codes of conduct operated without any degree of operated without any degree of

in favour of control of at least is now there, the debate is open part of the security industry and presumably interested should not obscure the practical parties submissions will be published in due time. Paragraph hand, that the practical difficulties should not be allowed to close the argument."

In the EEC. West Germany is alone in having introduced legislation recently for the licensing and control of private lished in due time. Paragraph is alone in due time. Paragraph is the discussion paper tells us: "The only legislation passed with any part of the security industry in mind was the Guard Dogs Act 1975." Perhaps when the dust of debate bas finally settled this will still be true.

Two new Wilkinson **Match directors**

Mr. George Williams and Mr. of the industrial and marine Tom H. Vogel have been division of Rolls-Royce Limited. appointed non-executive directors Mr. William J. Eckert has been of WILKINSON MATCH. Since appointed president and chief 1975, Mr. Williams has been executive officer of member comdirector-general of the UK pany Azon Corporation. Mr. Offshore Operations Association. Bavid O. Lloyd-Jacob, who was Mr. Vogel, a Swiss citizen, is a chairman of that Board and chief consulting engineer and a director of several European comtitle of chairman. Other appoint-

Mr. Robert McGeeven and Mr. Colin Tuffs have been appointed directors of DEREK CROUCH (SALES). Mr. Tuffs will be particularly responsible for the promotion of compaction equip-ment sales and Mr. McGeever will be mainly concerned with the sales force in the rest of England and Wales.

GOODLASS WALL AND CO. GOODLASS WALL AND CO. has made the following Board appointments: Mr. Geoffrey Smith becomes director in charge of the high performance coatings group, taking over from Mr. Glyn Wainwright, who retired at the end of February. His new post covers the whole specialised field of industrial, automotive and protective coatings. Mr. Ben Powell-Veness is appointed director in charge of the decorative services group, which covers retail and trade paints, together with the associated marketing and advertising functions, and the company's merchant division which also sells wallcovering and decorating sells wallcovering and decoratin sundries.

Mr. R. A. P. Smith, company secretary of IPC MAGAZINES a subsidiary of Reed Internal tional, is retiring on March 30.

Two senior appointments have been made in the Europe Divi sion of STAUFFER CHEMICAL in Geneva Mr. Ernest Bachofner has become assistant genera manager. He has been replaced by Mr. Allan Bashinger as director of finance and administration at the company's Geneva head

ments at Azcon, to take effect from April 1, are Mr. Glen M. Mr. Harry Taylforth, general
manager, has been elected a
director of SKIPTON BUILDING
SOCIETY in succession to Mr.
Cyril Clarke, who has retired.

Mr. Robert McGeeven and Mr.

Mr. Robert McGeeven and Mr.

Mr. Robert McGeeven and Mr.

Mr. Robert McGeeven and Mr. president, manufacturing group, having been assistant group vice-

> Mr. P. A. Rhpen, at present vice-chairman and managing director of LINDUSTRIES, will take over as chairman when Mr. W. E. Luke retires from that office after the annual meeting on July 31. Mr. Rippon will continue as managing director. At the same time Colonel B. M. Knox, a director of the company. will become vice-chairman. From the beginning of next month Mr. J. A. Harper and Mr. A. E. Luke will be assistant managing directors (operations). Mr. R. L. S. Weiss continues as group finance director, but, will also become

responsible for grou	ap plan	ias	ng.
TEL AVIV			
Company	Prices Mar, 18 1979	Qf	ange the reek
Sanking, Insurance .	1919	۰	-
Bank Laumi is Israel IOB Bankhelding Bank Hapcalin Br	347 389 571	- + +	4.0
Union Bk. of Israel Br. United Mizzehi Bank Hassneh Insurance Br. General Morz. Senk Br.	395 213 398 379	++	3.0
"Telahot" larl, Mt. Bk.	355	-	11.0
Land Development Africa Israel Inv. IE10 Israel Land Devpt. Br. Property and Building	230	+++	13.0 11.0 6.0
Public Utility largel Electric Cpn	307	+	2.0
Investment Compenies Bank Leumi Invest	- 371	+	7.0
"Cial" Israel Invest.	423 296	÷	
Commercial and Industrial			
Alliance Tire & Rebber Elco Br.	1,455 243	+	
Argamen Textile Br " Ata " Textile " B " Amer, Israeli Por, Mills	328 197.5	<u>+</u>	
Assis	300		5.0
Tevs Reg	678		20.0
Fuel and Oil Delek	- 189	_	2.0
Source: Bank Laumi Tel Aviv.	le Jare	ej	

	-		Înc	lice	5				N.Y.S.E. ALL COMMON Rises and Falls Mar. 18 Mar. 18 Mar. 18 Mar.
NEW	YORK	₩0q-	JOHES					-	Mar. Mar. Mar. Mar. High ! Low Issues Traded . 1,836 1,863 1,864 165 15 14 15 High ! Low Rises
	Mar. Mar. 16 15	Mar.	Mer. M	27. Mar. 13 9	1978-		Since Cam		58.55.56.08.55.85.55.89, 60.38 44.37 Unchanged 415 465 431
e industr'is H'me B'ads Transport	952,82 847.0 84,85 84.3	2 86,37 2 84,32 5 214,85	846.55 B 84.45 B 275.26 2	44.55 842.86 84.46, 84.84 13.87 214.81 85.55 714.16	\$67.74 7 (6/9) 30.86 (6/1/78) (1 281.48) (2.9) (9	42_12 (28:2) 14.05 5:1:79) 99.31 91.1/78)	1861,78 (11/17) (2	61.22 2/1/329 12.25 17.629	MONTREAL Mar. Mar. Mar. 13 High Low industrial 245.55 242.78 241.85 249.88 245 53 (18/5/78) 152.88 (15/2 241.85 245.25 (18/5/78) 170.82 (20)1
Trading vol	ā1,770 20,45	943,2		746 33,580		-	-	-	TOHANNESBURG 255.9 254.1 252.3 250.0 230.7 (7/2/75) 184.0 (25%) 256.0 256.0 256.1 256.3 256.1 256.3 256.4 256.3 256.4 256.3 256.4 256.3 256.4 256.3 256.4 256.3 256.4 256.3 256.4 256.3 256.4 256.3 256.4 256.3 256.4 256.3 256.4 256.3 256.3 256.4 256.3 256.3 256.4 256.3 256.3 256.3 256.4 256.3
	w. yield %		5.87	6.04	_'		6.14		Australia (*) 586.55 586.55 596.55 411.18 Spain (d) 108.25 188.51 111.89 25. (15/3/79 (1/3) 596.55 188.51 111.89 25. (15/3/79 (1/3) 596.55 188.51 111.89 25. (15/3/79 (1/3) 111.89 25. (1/3) 111.
tindust'is	Mar. Mar 16 15	: 14	13	Mar. Mar 12 9	High :	Low		Low	France (††) (u) (u) \$5.0 47.5 50: Standards and Poors—10: a (4/10) (5/2) 50: Standards and Poors—10: a (4/10) (1/16) 50: Standards and Poors—10: a (19:10) (1/16) 50: Standards and Poors—10: a (19:10) (1/16) 50: Standards and Poors—10: a (4/10) 50: Standards and Poors—10
(Composite					54 106,98	16/9) ((11/1/3):(3) 126,86 (11/1/6) (1	44	Hong Kong 551.86 549.82 707.70 253.4 4 Sydney All Ordinary. I Seiglan (4/6) (Lis/4) 31/12/53. Copenhagen SE 1/1.
ind-div-yle				5,17	5,28 8,73	Yes	5.47 8.43	prox).	(226) [W(L) D)(C. 1886. 54.4((1844)4 (1944)
Long Gov. E			9.02	9.01	9,08	- ;	8.16	· ·	Indices and base dates (all base r Swise Bank Corporation. r Unavivation 100 except NYSE All Common—

EUROPE

AMSTERDAM

will-	also	bec	ome	plar. 16	, Fla.	; "" ;	*
r grot	rb bis	gai	ng.	Ahold (FL20)		-0.7	142
IV	Prices Mac, 16 1979	ger	the	Akzo (Fl.20) Alg'm &k (Fl 100) Amrob'k (Fl.20) Bijenkor! BokaW stm(Ff88 Buhrm' Tetter' Elsev'r-NDU(Ff28 Ennia N.V. 8'rer	352.6 91.8 76.5 87 121.6 72 268 139	+1.0 -0.1 +0.5 -1 -1.5 -0.1 -1.1 -0.5	A25 50 25 26 26 37 A37
Sruel Br sei Br. Bank ce Br. nk Br. ft. Bk.	347 369 671 365 213 398 379 355	++ ++-	5.0 3.0	EirComTstiff10 Gist-Broc (FI0 Heineken (FI25) Hoog'ns (FI-20) Hunter D. (FI-100) Int. Mullert FI-20 Nat. Ned (InsFI-10 Ned Cr'd BkFI-20 Ned Mid BkFI-20	36.5 68 30.6 29.1 100.5 43 109 58.3	-1.5 -0.3 +0.1 +0.5 -0.4 -0.5 +3.5	90 14 1.8 19 46 21
e. IE10 pt. Br. vilding	985 220 334		13.0 11.0 6.0	Oca (FL20) OGEM (FL10) Van Ommeren Pakhoed (FL20) Philips (FL10)	25.9 171.5 42.8 22.6	+0.5 +0.7 -1.5 -1.2	24 24 17
pn xenies	307	+	2.0	Rinschver(F)189 Robeco (Fl.50), Rollnco (Fl.50), Rorento (Fl.50),	166	+5	26.4 5
invest	· 371 423 296	÷	7.0 29.0 2.0	RoyalDutchFi20: Slavanburg Tokyo Pac Hids\$ Uniisrar (FL20); Viking Res	133.6 251.5 124 123.5	+1.1 +0.5 +0.1	30.70 20 10.8 42.1
Br	243 328 197.5	-	15.0 1.5 7.0 8.0	Volker Stevin West, Utr. Hypok VIENNA	408	-9.5 !	33
. Mills	190 190 318		57.0 5.0	Mar. 16	Price 3	- ;	×
Leomi	189	_	20.0 2,0 BM,	Creditanstalt Parimoser Selecta Semperit Stayr Dalmier Velt Magnesit	270 : 567 68 217	+8 +3	10 90 88 80 10
						-	_

4 8.0

	ARUSSELS/LUXEMBOURG	SPAIN *	TOKYO ¶
	Nar. 15 Price + or Frs. (Yid.	Merch 16 Per cent	Mar. 16 Prices + or Div.
ĺ	Frs. — Net 3 Arbed	Banco Bilibao 304 — 3 Banco Cantral 234 — 6	Asahi Glass 342 —1 14 Ganon 355 +11 12 Casio 815 —11 85
i	Bekaert 'B" 2,595 -5 '115 4.5 C.B.R. Cement., 1,172 -3 100 6.5	Banco Exterior 278 — 6. Granada (1,000) , 134 —	Chinon 360 -6 30 Dai HipponPrint 535 -3 18
i	Cockarill	Banco Hispano 266 - 2	Fuli Photo 687 -8 15
I	Electrobell 6,900 +30 455 8,5 Fabrique Na2 3,300 -10 100 5,4 0.E. imm Bir 2,500 150 5.1	Beo, I. Mediterraneo 111 -	House Food
	Gevaert	Banco Madrid 213 B. Santander (250) 335 - 3	G. Itch
ļ	Hoboken 3.995 —5 .170 5.9- Intercom 1,890 142 7.5	Ben, Urguijo (1,000) 272 - 4 Banco Vizcaya 273 - 4	Jacos 746 13 15 15 15 15 15 15 15 15 15 15 15 15 15
I	Krediethank7.050	Banco Zaragozono 248 — 4 Bankunion	Kubota
Į	Pan Holdings2,620	Dragados	Kyoto-Geramic, 5,970 +80 35 Matsushita Ind. 655 -1 30
1	Soc Gen Banque 3,495 +5 220 6.4 Soc. Gen, Beige 2,240 -10 140 6.1 Sofina 3,480 +50 215 6.2	Facea (1,000) 80.5 - 1.75 Gel. Preciados 72	Mitsubishi Bank 335
Į	Solvay	Gp. Velazquez (400) 165	Mitsublahi Corp 484 —1 18 Mitsublahi Corp 330 —5 14 Mitsukeshi 495 —80
Į	UCB	(berduero 70.78 - 0.75	Nippon Dense., 1,550 +20 15 Nippon Shippan 740 -1 18
l	Vielle M'ntagne 1,800 -10 - -	Petroliber 100 - 2	Missan Motors 670 +10 15
l	COPENHAGEN . Price 4- or Div. IYId.	Sniace 46 — Sogefies 130 —	Sanyo Elect 395 +1 12 Sekisui Prefab 800 -5 30 Shiseido
I	Mar. 15 Kroner - % %	Telefonica	Shiseldo
l	Andethankan 1484 218 7.4		Takeda Chem 511 -9 18 TDK
ŀ	Danske Bank 11844	STOCKHOLM	Tellin 137 :+1 10 Tokyo Marine 508 -9 11
I	Bryggener	Price + or Div. Yid	TokyoElect Pow 1,040 +10 8 TokyoSanyo 404 +7 13
	Handelsbank 1194m 12 9.2 G Nthn H (Kr90). 320 +5 12 3.4		Toray 182 +2 10 Toshiba Corp 147 10
ŀ	Novoind stries 8 208 -8 8 8 8.8	Alfa LavaliKr.50 150 :+1 6 4.5	Source Mikko Securities, Toky
	Handelsbank 11943	AGA AB (Kr. 40), 200 6 3.0 Alfa Laval(Kr. 50 150 +1 8 4.6	Torota Motor 848 -4

quota loans A. † Equal instalmen	Non-quota Ioana A* repaid at maturitys by EiP† At maturitys 111 121 121 121 121 121 121 121 121 121 121 121 131	at the company's Geneva head- quarters. Mr. J. H. A. Wood is to join the Board of CONSOLIDATED GOLD FIELDS as an executive director and a member of the office of the chief executive on May 1. The company has made the appointment following Mr. Rudoiph Agnew's succession to group chief executive. Mr. Wood is at present managing director	Commercial and Industrial Alliance Tire & Rebber 1,455 + 15.0 Elco Br. 243 - 1.5 Argamen Textile Br. 328 - 7.0 Argamen Textile Br. 328 - 7.0 Argamen Textile Br. 328 - 7.0 Argamen Textile Br. 318 + 5.0 Teve Reg. 678 + 20.0 Fuel and OB Detek 189 - 1.0 Source: Benk Leomi le lareej BM, Tel Aviv.	Tokyo Pac Hidas 124	Andethankan 1484 12 7.4 Danske Bank 1184 12 10.1 East Asistic Co. 131 1-12 18 9.2 Finansbankan 1594 + 4 18 8.2 Srysgerier 275 12 4.4 For Papir 105 8 13 4.4 For Papir 105 8 13 4.4 For Papir 105 8 13 9.2 Handelsbank 1194 15 13 9.2 G Nthn H (Kr90) 180 8 2 12 6.4 Novolkdabel 180 8 2 12 6.4 Novolnd stries 2 208 8 3 5.8 Oliefabrik 1281 12 13 9.9 Provinsbank 135 1 18 1 8 9.9 Provinsbank 155 1 18 1 8 5.0 Superfes 1894 14 12 5.0 GERMANY	AGA AB (Kr. 40), 200	Takeds Chem. 511 -9 18 18 1.8 TOK
WALL STREET	·· · · · ·				Mar. 18 Price + or Div. Ytd. Mar. 18 DM 2 2 AEG. 61.8-0.2 Allianz Versich. 471 - 2 31.8 5.3	Fagersta	Amaigamated Rubber. 10.50 10.00 China Light & Power. 21.50 21.19 Cosmopolitian Prop. 1.50 11.51 Cross Harbour Tunnel. 8.80 8.70
NEW YORK 1978-79 Mar. High ! Low Stock 16	1978-79 High Low Stook 15 641 ₂ 451 ₈ Corning Glass 548 ₈	1978-79 High Low Stock 15 34 s 225 Johns Marville 245	1978-79 Migh Low Book 16 5513 36 Revion 465	1978-79 Mar. 15 Mar. 1	SASF 136.5 -1.2 12.75 6.8 SASF 175.5 -1.2 12.75 6.8 Sayer 1875 -1.2 12.75 6.8 Sayer 1870 28 19 5.2	8.K.F. B' Kr.50 67 +2 4,5 6.7 8kand Enskilda 150 +2 9 6.0 7andstik B(Kr50 75 +4 5 5.8 Uddeholm	E, Asia Navigation
	541 4214 CPC Int mation" 5216 5616 2514 Crocker Natl 2914 50 2114 Crocker Natl 2734 57: 39:6 Orown Zeller's 85 4214 2816 Oummine Engine 3514	8816 66 Johnson Johnson 7036 3314 3214 Johnson Control. 284 3619 2734 Joy Manufacturg 3014 2918 C. Mart. 2814 2114 1634 K. Mart. 2814	394 2514 Reynolds Metals. 3616 64 524 Reynolds R.J 3618 3058 20 Rich'son Merrell. 2134 2518 Rockwell Inter 3618 4014 2812 Rockwell Inter 3614	714 52 Wyly 512 6512 41 Xerox 5713 1914 103 Zapata 153 1875 113 Zenth Radio 1415 1951 22 20 15 Trans 47 20 195	Bay. Vereinsbl 276.5-1.5 28.17 5.0 Commerchank 201.4-1.4 25.22 5.6 Conti Gummi 67.0-1.3 Daimler-Benz 399.5-5.0 28.12 4.7 Degussa 244.5-1.0 25.55 5.4 Demag 159 -1 17,18 10.5	SWITZERLAND *	Hg. Kg. Shanghai Hotel 10.20 19.00 Hg. Kg. Telephone
89 25 Abbott Labs 51:2 82 1874 AM International 19:3 8475 1814 Adobe Oil & Gas. 23 8584 22:4 Art Products 27 8886 22 Aican Aluminium 88:4 8514 Aica Lidium 15:4 2015 1544 Aica Lidium 16:4 2026 1544 Ailed Chemical 32:4 444, 2818 Ailed Chemical 32:4	211, 117, Ourties Wright 143, 313, 193, Dana	5014 1775 Kaiser Industries 214 1775 Kaiser Steel 264 264 184 184 184 184 184 184 184 184 184 18	671e 541e Hoyal Dutch 671e 171e 10 RTE 111e 151e 934 Royal Toga	9.51g 6.07g U.S. 90-day blis. 9.51g	Deutsche Bank. 373.5—1.5 28,12 5.1 Dreadner Bank. 322 —1 28,12 6.3 Dreckerhoffze't. 157 +4 9.36 2.8 Gutenoffnung 218.7—1.8 18,28 4.1	Mar. 16 Price + or Div. Yid. Mar. 16 Frs % % Aluminium	Jardine Secs
444 2812 Allied Chemical 3214 2715 1854 Allied Stores 2212 2812 2214 Allis Chalmers 5013 55 314 AMAX 6013 3316 2215 Amerada Hess 5013	481 2234 Del Monte	584 273 Kidde Walter 291 291 384 Kimberley Clark 443 241 1766 Koppers 219 474 474	313 ₄ 321 ₆ St. Joe Minerals. 387 ₆ 345 ₆ 355 ₆ St. Regis Paper 305 ₈ 191 ₆ 291 ₄ Santa Fe Inds 353 ₄ 73 ₄ 33 ₅ Saul Impact 371 ₆	19% 104 Abitthi Paper	Hapsg Lloyd	BBC 'A'	Whoelock Marden A 3.30 5.185 Whoelock Maritime A 13.45 2.30 9.70 xd Ex-dividend, † Suyar. † Seiler. Susp. Suspended.
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INTERNATIONAL CAPITAL MARKETS



CURRENT INTERNATIONAL BOND ISSUES

Av. Jife

INTERNATIONAL BONDS

BY FRANCIS GHILES

New dollar issues re-appear

ek amid'a string of apparent radoxes. The only EEC mem-r currency which stayed out, rling, performed strongly shares lile there was no sign of any Friday. IS currency attracting capital ws from the dollar. Mean-ile the Swiss franc sector, in words of dealers, was falling

ghtly off with the reappearce of new issues.

Three new offerings comprise im floater for Texas Inter-tional Airline which includes

stem was inaugurated last publishing company, Esselte. The conversion premium on the Esselte bond is expected to be between 5-7 per cent. The shares stood at SKr 3021 last

Turnover in the Eurocurrency bonds was good but prices fell off later in the week as the gilt-edged market weakened. This t of bed.

did not in any way affect the frading activity in the dollar good reception given to the tor was reduced to a trickle. largest ever new sterling decices were, on the whole, nominated issue, the £50m offerings for General Electric Com-

In the Swiss market last week \$20m private placement for not only did newly traded issues Swedish Export Council, a fall to considerable discounts but investors staged what one dealer called a "strike." The SwFr 300m public issue for we the three month LIBOR Canada was undersubscribed I a \$25m convertible for the and receipts

the total. Union Bank of 1978). At the same time, the recovered last Friday to 97. Switzerland acknowledged the scope for further appreciation other newly traded issues poor performance, the first time of the Swiss franc seemed this degree of undersubscription limited. The borrowers were is believed to have been having it both ways. admitted for a foreign bond.

terms and the opening of the subscriptions for the Canadian sharp turn for the worse. Since the beginning of this year, the large weight of liquidity has tempted borrowers to push coupons down on new issues aggressively.

The volume of new issues, including a number of refinancincreased dramatically (exports of capital from Switzerland are believed to have doubled during the first two apparently months of this year compared

The signs of indigestion were Between the fixing of the final there, not least in the domestic bond market, when an inflation rate of 1.1 per cent in retail offering, the market took a prices for February was announced, investors took their cue and decided that domestic interest rates must go up soon. This has not happened yet. In-deed last week Swiss National Bank intervention in the money markets brought down the price of 12-month money from 11-1 to 3-1; per cent.

Many bankers nevertheless expect a rise in coupons on for ign issues in the near future. should be offered which inves The Canada issue fell to 96} tors will not look on askance.

fared much worse. The Oster-reichische Kontrollbank 31 per cent 12-year bond which was priced at 99 fell to 933 in early trading but had only recovered

to 95½ by Friday.
The big three Swiss banks are expected to meet informally to discuss new foreign bond issues for the coming quarter.
Although some Swiss bankers would like to see a freeze on new issues for a few weeks, this does not appear to be the considered

view of most.
A much lower volume of new issues, all parties agree, is crucial. Very large public issues should be avoided and more important, terms even

MEDIUM-TERM FINANCING

BY JOHN EVANS

Applying the brake

sed by developing countries longer maturities. t year, appear to be putting brake on their foreign curicy borrowing. For Brazil, with a debt ser-

ing ratio of over 60 per cent, restrictive borrowing policy be welcome to those who ve been concerned at the size the country's foreign debt. ich now stands at \$42bn. Nevertheless, a cutback in

rrowing activity by these two intries threatens to have der structural implications the international capital

The good 1978 earnings among specialising in Latin ierican business, such as ndon's LIBRA, demonstrates w the high-margin loans in szil and neighbouring counas have helped to provide an ulation for banking profits at time of declining spreads rldwide.

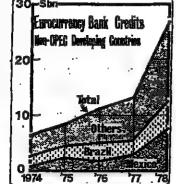
Mexico's state oil concern. mex. is understood to be on point of prepaying two idicated Ioans, each amountto \$300m, arranged in 1976 1 1977 respectively.

Spreads on these five-year nsactions ranged up to 11 per it, and Pemer now clearly isiders it can safely dispense

DOLLAR

arly half of the total \$26.8bn now command margins in the Eurocurrency bank loans region of 1 per cent for much

Additionally, documentation for the current \$600m loan for the Mexican electricity agency, CFE, makes reference to the fact that this is to be the last syndicated Eurocredit from the



Mexican public sector in firsthalf 1979.

Brazil's incoming President; Gen. Joa Baptista Figueiredo, in his inaugural address last week. declared that Brazil itself must finance the cost of its own development, a reference to reduced foreign borrowing.

How this policy will be implemented is not yet clear, international loan and bond although it is believed that market in 1978.

AZIL and Mexico, which with such high-cost facilities. Brazil's banks may be restricted re together responsible for Mexican Eurocurrency credits in the amounts they will be able in the amounts they will be able to lend to the Brazilian Governbased in the country.

Bankers also expect that Brazil will run down its foreign currency reserves fairly sharply this year—another technique for reducing borrowing. Some estimates suggest that the reserves will be cut to at least \$8bn from their current level of some \$12bn, the latter figure representing a full year's cover for Brazil's imports.

Tentative estimates among international bankers also suggest that Brazil should be in balance of payments equilibrium this year.

On this basis, the country is expected to borrow some \$5bn to meet servicing requirements on its international debt, plus a further \$2.5bn of "new money" for economic infrastructure development. The \$4bn reduction in exchange reserves would mean a total foreign currency requirement of approximately \$11.5bn for 1979.

This grand total should include export credit as well as other forms of non-commercial debt. So the indications are that Brazil may well finish up by raising less this year than the estimated \$6.4bn secured in the

EURO-CDS

Maturity changes

dollar certificates of deposit (CDs) issued by London banks markedly between August and November last year. At the long end the shift was out of line with changes in the maturity structure of bank deposits generally.

Figures on the maturity structure of outstanding dollar CDs issued and held by London banks are a relatively new—and still widely unnoticed—addition to the coverage in the Bank of England's Quarterly Bulletin. Regular publication, which appears in the additional notes to Table 13 at the back of the Bulletin, was started only a year ago and the figures date back

to May 1977. They show that in the 15 months from May 1977 to August 1978 banks cut back the proportion of their total CD issues which were long term. CDs outstanding which were not due to mature for at least a year fell steadily from 23 per cent of total issues to 16 per cent last August,

In the three months between August and November, however, these long term CDs rose again to 19 per cent of the total. This change occurred at a time when long term deposits generally were steady in relation to total deposits. The obvious explanation for

BONDTRADE INDEX AND YIELD

THE MATURITY structure of this change was issuing activity by the Japanese banks. They needed to raise lone term funds before the end-December reporting date because of regulations requiring them to cover medium term Eurocurrency loans by deposits with over one year to maturity.

Correlations with overall deposit figures (which include CDs) do indeed suggest that the Japanese were responsible for the increases in issues with a maturity of at least three years. But although they raised the value of their deposits with maturities of between one and three years by \$406m between August and November (in proportion to their total deposits) deposits at this maturity actually

In view of the Japanese regulations and the role London plays in Japanese banks' international funding, this fall is remarkable outte apart from its significance for the CD market.

Moreover, even in absolute terms the \$406m rise in their overall deposits at the one-tothree year maturity was not sufficient to cover the \$1bn rise in CDs outstanding at the same maturity. Unless there was a big shift by the Japanese banks from other kinds of deposit to CD issues, one must look elsewhere for the source of this rise

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 Purchase Fund. Convertible

U.S. BONDS

BY DAVID LASCELLES

Setting a firm course

HAVING SPENT last week in the cost of funds and inflation. issue goes on sale.

passed with a sense of relief and CDs unchanged, and onethat the Federal Reserve Board year Treasury bills easing. had not, as widely thought the and hold the key interest rate at just over 10 per cent. Later points. system, and this pushed the rate up again, but most observers attributed this to technical

rather than policy factors. Two large banks outside New

something of a luli, the U.S. But in New York itself, the split indicated marking a new high bond markets should set a prime persisted, with Chase & for Bell yields in this interest firmer course this week as the City Bank holding at 111 per rate cycle. state of the economy becomes cent. Trends in the short term clearer and a major benchmark markets remained mixed, with one-month commercial paper The early part of last week rates rising, three-months bills

Bond prices registered previous Friday, moved to broad, though slight, decline in tighten credit. The Fed acted thin trading. Long dated conspicuously to soften the Treasury issues shed i to i per Fed funds market on Monday cent, and yields of corporate bonds gained 5 to 10 basis New long term top in the week, the Central Bank quality utilities are now yieldappeared to have some difficulty ing 9.70 per cent, and indust nearly three years, and the tracking the highly volatile rials 9.25 per cent, according to

The lack of activity, traders cent in February. said, was due to the market's focus on the coming week which features a meeting of the Fed's Open Market Committee, and a York pushed their prime rates \$450m bond issue by South- to have a depress back up to 112 per cent, citing western Bell for which a yield the bond markets.

Precluding the FOMC meeting. the latest money supply figures rose sharply last week for the first time in two months. M1 by \$3.7bn and M2 by \$2.9bn. But the long term trends still fall within what are believed to be the Fed's target range, and economists attach little significance to the rise.

More teiling was the sharp drop in February housing starts, to an annual rate of just over 1.4m units, the lowest for Fed's announcement that induslevel of float in the banking estimates by Salomon Brothers, trial output rose only 0.3 per

The February consumer price index is due out this week, and though no one expects it to be anything but bad, it is bound

FT INTERNATIONAL BOND SERVICE

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The Financial Times L	IC., 19	ra. Kep	rocuci	ION IN	MILTING 8					

Landesbank Rheinland-Pfalz. The direct access Bank. And that helped make things a bit easier for our customers and for us again in 1978.

Preliminary figures for 1978.

	in millio		
	1978	1977	+%
Total assets	21,553	18,826	+14.5
Liquid assets	6,259	5,262	+18.9
Loans to customers	13,229	11,896	+11.2
Liabilities	9,146	7,929	+15.3
Bonds in circulation	9,289	7,994	+16.2
Capital and reserves	391	342	+14.3
Building society	1,100	835	+31.7



Landesbank Rheinland-Pfalz - Girozentrale - Mainz, Kaiserslautern, Koblenz. Frankfurt (Stock Exchange Office) - Subsidiaries in Berlin, Zürich, Nassau/Bahamas, Luxembourg.

The Woodbridge Company Limited

Thomson Equitable (International) Limited

to holders of ordinary shares of

Hudson's Bay Company

to purchase 11,785,000 (51%) of the outstanding ordinary shares at a price of

\$31.00 (Canadian) per share

In respect of ordinary shares held by shareholders of Hudson's Bay Company with registered addresses in the United Kingdom the offer is being made on behalf of The Woodbridge Company Limited and Thomson Equitable (International) Limited by S. G. Warburg & Co. Ltd. and Wood Gundy Limited,

Beneficial owners of ordinary shares of Hudson's Bay Company whose shares are registered in a nominee or marking name can obtain additional copies of the offer document and acceptance form during normal business hours on any weekday (Saturdays excepted)

S. G. Warburg & Co. Ltd., 30 Gresham Street, London EC2P 2EB

Wood Gundy Limited, 30 Finsbury Square,

The Royal Trust Company, Royal Trust House, 54 Jermyn Street, London SWIY 6NO

19th March, 1979.

This advertisement is issued by S. G. Warburg & Co. Ltd. and Wood Gundy Limited on behalf of The Woodbridge Company Limited and Thomson Equitable (International) Limited

WEEK'S FINANCIAL DIARY

engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

race Trest 25 Milk Street EC PLANT MEETINGS

DIVIDEND & INTEREST PAYMENTS-

Red. (21/3/78) 64.067 Red. (21/3/79) 54,067 Bds. Red. (21/3/79) Circuland 11/200 Bds. Red. (21/3/79) 55.687 Civdebank 11/200 Bds. Red. (21/3/79) 65.687

vices and Employment Sub-Committee. Subject: Perinatal

and neonatal mortality. Wit-

nesses: Faculty of Community

7 apc Bds. Red. (21:37/9) Tape Bds. Red. (21/379) £4.067 slands 10tape Bds. Red. (16/9/81)

Imperial Group, Dorchester Notel, Park Lane, W. 12 Kitchen (Robert) Taylor, 16-17, Serners Street, W. 12

(21:3/79) 54:067 Wakefield 7-epc Bds. Red. (21:3/79)

Tape Sds. Red. (21:3179) 54.067

side Passenger 77ans, Executive 8ds, Red. (19380) 4 s n 3 spc 8ds. Red. (19380) 4 npc ne 9 spc. 8ds. Red. (17980) pc ph American (1995, 2.05p r Var. Rate 8ds. (1773,92) £5.2188 pck 84pc 8es. Red. (1913,80) 4 hepc idale 101pc 8ds. Red. (1773/82)

BOARD MEETINGS-

edland Dongayt Nason Bros. (Ryders Green) DIVIDEND & INTEREST PAYMENTS

Invs., 37, Renkeld Street

nereurogean Property Deb.
ons (1) Lns. 3. 4 ac
ons (1) Ln. E3.9855
'Kay Securities 0.35p
intish United Invst. 1.328s
tk Db. 54pc
hhose Geden'

34oc Trafatgar House Lns. 4, 44ac

Notes to Group Results

The Week in Parliament

COMMONS: Debate on motion to take note of the Governof Lords amendments to the Social Security Bill.

LORDS: Confirmation to Small Estates (Scotland) Bill, second reading. Estate Agents Bill, committee stage, Ancient Monuments and Archaeological Areas Bill, report. Motions to approve aid orders. Debate on oil pollution in the sea area north of the Scottish mainland.

SELECT COMMITTEE: Public Accounts. Witnesses: Department of Education and Science, Azricultural Research Council. Department of Agriculture and Fisheries for Scotland, Room 16, .45 p.m.

TOMORBOW COMMONS: Proceedings on the

ments on energy policy.

LORDS: Kiribati Independence ment's expenditure plans, 1979-1980 to 1982-83. Consideration Bill, report. Banking Bill, committee stage. Debate on the 11th report of the EEC on State aids for steel,

> SELECT COMMITTEE: Joint Committee on Statutory Instruments, Room 4, 4.15 p.m. WEDNESDAY COMMONS: Debate on the

> report of the Shackleton Committee. Motion on the Prevention of Terrorism (Temporary Provisions) Act 1976 (Continuance) Order. LORDS: Short debates on the

> Strutt report on agriculture and the countryside, and on the second land utilisation survey. Licensed Premises (Exclusion of Certain Persons) Bill, committee stage. SELECT COMMITTEE: Ex-

Administration of Justice penditure, Trade and Industry National Water Council. Room

nesses: R. L. E. Lawrence, chairman of the National Freight Corporation; Sir Robert Marshall,

(Emergency Provisions) Scot-Sub-Committee. Subject: UK 8, 4 pm. Nationalised Indus-land Bill. Motions on EEC docu-domestic air fares. Witnesses: tries Sub-Committee D. Subject: domestic air fares. Witnesses: British Airports Authority. Consumers and the Nationalised Industries. Witness: Mr. Roy Room 16, 10.15 am. Nationalised Industries, Sub-Committee B. Subject: Report and Hattersley, Prices Secretary. Room 7, 4 pm. European Legis-lation. Subject: EEC Agricul-Accounts, Witnesses: British Shipbuilders. Room 8, 10.45 am. tural Prices 1979. Witness: Mr. John Silkin, Minister of Agri-Accounts, Subject: culture. Room, 4.15 pm. Un-opposed Bills. Ipswich Port Report of the Procedure Com-mittee. Witness: Comptroller and Auditor General Room 16, Authority. Room 9, 4 pm. THURSDAY 4 pm. Expenditure, Social Ser-

Commons: Road Traffic (Seat Belts) Bill, second reading. Motion on Firearms (Variation of Fees) Order. Lords: Consolidated Fund Bill,

Medicine: Health Education Lords: Consolidated Fund Bill, Council. Room 6, 430 pm all stages. Vaccine Damage Pay-Nationalised Industries, Sub-Committee E. Subject: Ministers, Parliament and the National Heritage (formerly Land) Fund (No. 2) Bill, third Nationalised Industries. With Conservation of Wild Plants Creatures and Wild Plants (Amendment) Bill. FRIDAY

chairman of the Commons: Private Members'

Ultramar Company Limited

1978 A year of nieveme

Preliminary Announcement of 1978 Group Results

Summary of financial results	1978 £000	1977 £000	Increase £000
Operating profit before taxation	37.786	24.709	13,077
Operating profit after taxation	16,231	- 12,598	3,633
Profit after taxation and foreign exchange fluctuations	10,762	8,475	2,287
Cash flow from operations	31,632	26,744	4,888
Capital expenditures	45,514	14,355	31,159

Outlook for 1979

There are many political and economic uncertainties in the immediate future. A new situation has been created by the Iranian crisis which caused an industry wide curtailment of crude oil supplies and sharp price increases in some areas. It is too early to judge how this will affect Ultramar. Nevertheless, we have strengthened ourselves in some important areas and we expect 1979 to be a successful year for

Proposed Share Distribution It is proposed to recommend again to Ordinary Shareholders a Share

It is proposed to recommend again to Ordinary Shareholders a Share distribution. At the forthcoming Annual General Meeting a resolution will be submitted for an issue to Ordinary Shareholders of one Ordinary Share of 25p credited as fully paid for every 15 Ordinary Shares of 25p held at the close of business on 1st June 1979.

Upon issue the Shares will rank part passit with existing Ordinary Shares. The distribution will be provided by capitalizing a sum drawn from share premium account. Shares representing fractions will be allotted to trustees and sold and the proceeds will be distributed to the Ordinary Shareholders entitled to such fractions.

Share certificates, which will be renounceable up to and including 27th July 1979 will be posted on 29th June 1979. Application will be made for listing of the shares and it is expected that dealings in London will commence on 2nd July 1979.

Your Directors propose in November next, to pay an interim dividend in respect of 1979 of 5p per share on the Ordinary Shares as increased by the above mentioned 1 for 15 share distribution. Your Directors expect to be able to follow this interim dividend by a recommendation that a final dividend for 1979 of 5p per share be declared at the Annual General Meeting in 1980.

Despite adverse exchange effects, cash flow from operations and operating profit, both before and after taxation, expressed in sterling terms are the highest in Ultramar's history. The major contributor was our Indonesian operation with its first full year of profits from LNG sales. Satisfactory profits were also made in our California, Newfoundland, and Western Canadian operations. In our Eastern Canadian mainland operations, however, product prices were at times at levels which did not yield a profit margin and the situation was further aggravated by the weakness of the Canadian dollar, increased tanker rates in the last quarter, uncertainty of crude deliveries resulting from the Iranian crisis and sharply higher interest rates. The UK Marketing Company did well in the first half of 1978 but had a disappointing

company and wen in the first han of 1978 but had a disappointing second half in line with the experience of UK marketers generally.

Capital expenditure for 1978 was £22,953,000 (apart from the acquisition of Canadian Fuel Marketers dealt with later in the announcement) compared with £14,355,000 in 1977. The increase is announcement) compared with £14,355,000 in 1977. The increase is mainly due to more substantial programmes of exploration and development in Indonesia and Western Canada and of exploration in the UK North Sea. The exploration programme in Indonesia in 1978 and continuing in 1979 is designed to establish additional gas reserves for the expansion of the Badak LNG plant.

All three refineries of the Group operated well throughout 1978.

Total refinery runs averaged 105,000 barrels per day compared with 111,000 barrels per day in 1977. The decline was due to lower runs in the Quebec Refinery which averaged 80,000 barrels per day compared with 88,000 barrels per day in 1977.

Other significant financial and operational events in 1978 and we to

Other significant financial and operational events in 1978 and up to the date of this announcement are as follows:

(1) The development of the UK North Sea Maureen Field in which we (1) The development of the UK North Sea Mattreen Field in which we have a 6% interest is now proceeding. Initial production is expected to start in the last quarter of 1981 or early 1982 at a rate of 75,000 berrels per day. The cost of development of this field is estimated at £300 million of which our share is £18 million. We plan to finance this requirement partly by way of loan and partly out of our cash flow

(2) We have a 25% interest in a consortium with British National Oil Corporation and Charterhouse Petroleum Development Limited, which has reached agreement in principle for the purchase of Ashland Oil (GB) Limited which has a working interest of 5.4295°; in the UK North Sea Thistle Field. The price for this purchase by the consortium is USS94.5 million which will be financed mainly by the assumption of

existing loans.

(3) We formed a North Sea exploration group with PanCanadian Petroleum Limited and Houston Oils and Minerals Corporation and made applications for North Sea blocks in the sixth round of bidding. Ultramar is the operator of this group and each of the companies in the group has a one-third interest. Applications for North Sea blocks have also been made by the Phillips consortium in which we have a 6% interest and for blocks in the South Western Approaches by a consortium consisting of Murphy Petroleum Limited, Ocean Exploration Company Limited and ourselves in which we have a 25%

(4) In Egypt we have taken a 50% interest in new exploration concessions covering two blocks totalling 1,062,000 acres located between Alexandria and El Alamein. We have also taken a 25% interior an existing concession of 1,285,000 acres called the Marint Block. which lies between the above mentioned two blocks. It is planned to drill two wells in the Mariut Block in the summer of 1979. (5) We have completed engineering and feasibility studies for the modernisation of the California Refinery and its conversion to a 40,000 barrels per day sophisticated plant which will maximise unleaded gasoline production. All necessary construction permits have been obtained from the various zoning and environmental agencies. We are now investigating the availability of finance for this project. (6) By far the most significant event for Ultramar during this period has been the acquisition of Canadian Fuel Marketers Ltd, a large and successful marketing organisation selling about 90,000 barrels per day of residual fuels, asphalt, heating oils and gasoline, mainly in the provinces of Ontario and Quebec. The consideration for this purchase was Canadian \$54 million paid on 31st largery left from writing was Canadian 554 million paid on 31st January last from existing resources of the Ultramar Group. The background and benefits of this acquisition and the position as to our plans for the sophistication of the Quebec Refinery are all dealt with in a letter to shareholders which is being posted to them at the same time as this Preliminary

The acquisition became unconditional on 22nd December 1978 and accordingly the assets and liabilities of Canadian Fuel Marketers Ltd at 31st December 1978 will be incorporated in the Consolidated Balance Sheet of Ultramar at that date. They are also dealt with in the Consolidated Statement of Source and Application of Funds which forms part of this Preliminary Announcement.

No part of Canadian Fuel Marketers' profits for the year 1978 has

been included in Ultramar's Group profits for that year.

The Directors' Report and Statement of Accounts for the year ended 31st December 1978 and the Chairman's Statement will be issued. on 20th April 1979 and the Annual General Meeting will be held at 11.30 a.m. at Winchester House, 100 Old Broad Street, London EC2N 1BU, on Friday, 1st June 1979.

Campbell L. Nelson

Group results for the year to 31st December 1978

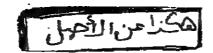
Consolidated profit and loss account			1978 £000	,	1977 £000
Şalos			2595,133		£472,692
Profit on trading Amortization, depreciation, depletion and amounts written off		4 4,	50,237 12,451	, , ,	33,126 8,417
Operating profit before taxation	· 1		37,786		24,709
Taxation on operating profit: Current Deferred		13,226 8,329		3,632 8,479	
			21.555		. 12,111
Operating profit after factation Foreign exchange fluctuations – loss after tax effects		: .	16,231 5,469		12.598 4.123
Profit after taxation and foreign exchange fluctuations Deduct: Convertible Redeemable Preferred Shares dividend Advance Corporation Tax written off		1,050 808	10,762	1,059	š,475
	· · · · · · · · · · · · · · · · · · ·		1,858		- 1,059
Earnings attributable to Ordinary Shareholders			£8,904		£7.416
Cash flow from operations			£31,632		£26,744
Earnings per Ordinary Share before foreign exchange fluctuations after foreign exchange fluctuations			4.5p		7.8p 7.9p

Consolidated statement of source and application of funds

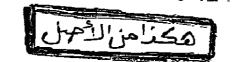
Source of funds		2000		2000	US and Canadian dollars
From operations:				٠.	2 Translation and conversion exchange
Operating profit after taxation Amortization, depreciation, depletion and		16,231		12,598	rates used by the Group are: 31st 31st December December
amounts written off		12,451		8,417	1978 1977
Deferred taxation on trading profits		8,329		8,479	£i equais USS 2.04 1.92
Indonesian debt service equalisation (Note 5)		(6,856)		(2,938)	£1 equals Can. \$ 2.43 2.10
Loss on sale of fixed assets				188	US\$1 equals Can. \$ 1.19 1.09
Trial At the of Ward Wheel		1,477		100	USS1 equals Sw. Fr. 1.62 1.98
Cash flow from operations		31.672		26.744	3 Taxation for 1978 was higher because
From other sources:		31,632		26,744	of the increased proportion of earnings
Long term portion of US\$75 million loan raised	28,824				subject to Indonesian tax. This was due
Less: prepayment of existing US\$25 million loan		٠.			to a full year of liquefied natural gas deliveries in 1978 as compared with
Text: bichelingin of granus care, minor tour	9,314				1977 when delined as compared with .
					1977 when deliveries were only com- menced in August.
Ad-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1		19,510		-	4 The loss on foreign exchange fluctus-
Other long term loans raised		135	•	1,006	tions of £5.469,000 during 1978 relates
Proceeds on disposal of fixed assets		1,983		1,364	almost entirely to long-term loans of in-
Net current assets of subsidiaries acquired		13,230		_	QIVIQUAL COMBARIES repuy the over the
					SCAD to 1993, and is down to the full in
		66,490.	•	29,114	Values of the Canadian dollar segmen
	-			_,	. The US dollar and the US dollar posicet
		, •			IDC SWISS ITANC Since the beginning of
Application of fault		-			INC YEST. I DESC OFF unnearlised as change
Acquisition of subsidiary companies	22.561		1,476		2010SUMENIS MADE at the year end with
Additions to fixed assets	22,953	٠.,			UNE DETUZI WILIMATE exchange lace at
Unimpos in men esses	الداكرشة	,	12,879		profit being dependent on the rates of
a 1 5 1	4-1-4				exchange at the time of repayment.
Capital expenditures	45,514	-	14,355		5 The Group's entitlement to income
Portion of long term debt now due within one year	4,823		9,430		from Indonesian LNG sales is included
Convertible Redeemable Preferred Shares dividend including					in the profit and loss account after de-
Advance Corporation Tax of £516,000 (1977 £548,000)	1,566		1.607		ducting transportation, liquefaction
Miscellaneous items	357		. (468)		costs and debt service on the loans
			1100/		raised by Pertamina to finance the
		Fn a.c.		04.004	whole of the construction cost of the
		52,260		24,924	Badak LNG Plant which is operated on
Lament & model or angled					a break even basis. In order to match
lacrease in working capital		£14,230		£4,190	income with these deductions, the
		_			Group's entitlement is adjusted to re-
Working capital at 31st December 1978		£23,269		£9,310	flect an equal annual charge for debt
					service rather than the uneven repay-
Long term loans at 31st December 1978		£90.246		£54,784	ment schedule established for the loans,
		\$80,246	•	Z-34, 104	all of which are repayable within a 12-
		_	•		year period starting in 1977. Effectively,
		•			therefore, the cost of the plant will be
					fully amortized by the end of 1989.

Sales of oil (barrels per day) Oil refined (barrels per day) Oil produced (barrels per day) Gas produced (thousands of cubic feet per day) Net acreage interest Gross wells drilled Oil and gas wells completed (in which the Group	222,300 104,400 9,600 188,900 3,125,000 43	191,500 111,400 7,300 60,300 4,499,000
has varying incorrects)		10





Operating results



AUTHORISED

n Harvey & Ross Unit Tst. Mngrs. Commill, London EC3V 3PB. 01 623 6314; Gift & Pref....... | 95.0 100.0| | 12.50 ed Hambro Group (a) (g) G. & A. Trust (a)(g) field Fd. 83.24 +0.11 7.81 76.84 +0.31 6.86 45.51 +0.21 6.75 285 +0.1 282 46.0 +0.3 1.93 59.9 +0.4 1.94 erson Unit Trust Managers Ltd. | 17 Day | 18 Day | 1 cher Unit Mgmt. Co. Ltd. ueen St., London, EC4R 1BY. 01 236 5281 Brieveson Management Co. Ltd. Greesson Management C 59 Gresham Street, EC2P 2DS Barrington March 14, 1244.1 (Accent, Units) 277.4 Sup. H. Vd. March 15, 194 0 (Accam, Units) 230.7 Endow, March 13, 205.5 (Accent, Units) 266.0 Grechniter Barch 16, 194.0 (Accam, Units) 26, 206.0 Grechniter Barch 16, 194.0 (Accam, Units) 26, 2 hway Unit Tst. Mgs. Ltd.\ (a)(c) , High Holborn, WCIV 7NL 01 831 6233 way Fund 91.3 97.1 15.92 wices an March 15. Need, mb day Warch 21 ora Ha. 252, Romford Rd., E7. 超調腦 雅姆 强 ing Brothers & Ga., LtsL(F (a)(x) opsgate Progressive Mgmt. Co.V ige Fund Managers (a)(c) Hse., King William St., EC4. Investment Intelligence Ltd. (a) annia Trust Management (a)(g) Key Fund Managers Ltd. (a)(g)
25, Mile St., ECZV 8.E. 01 606 7070
Key Energy In Pd. 199.1 94.7 2.45
Key Enguly & San. 172.3 74.1 2.45
Key Enguly & San. 172.3 74.1 2.45
Key Income Fund 199.1 97.3 199.5
Key Income Fund 199.5 199.5 199.6
Key Frond Int. Fd. 199.5 199.4 126.9
Key Small Co's Fd. 126.5 134.4 4.39 KBS:mirCo-Stdirc. 48.9 32.9 49.0 52.8 Man. Pens. Accum. 115.8 121.3 121.6 121. | Do. Initial | L & C Unit Trest Management Ltd. V
The Stock Exchange, EC2N 1HP. 01 588 2800
L&C Inc. Ed. 1532. 157 9d 9.17
L&C Incl. 2 Gen Fd. 1535. 166-9d 2.96 British Life Office Ltd\((a) Lawson Secs. Ltd.# (a)(c) | Second | Line | mpt April 10 68.1 Midland Bank Group
Unit Trust Managers Ltd. (a)
Courtwood House, Silver Street, Head, Tel. 0742 79842
Shefffeld, \$1.3RD
Commodity & Sen. | 75.0 | 81.4 -0.2 | 4.84
No. Accum. | 98.4 | 40.2 -0.3 | 3.26
Growth. | 40.4 | 43.5 -0.3 | 3.26
Growth. | 40.4 | 43.5 -0.3 | 3.26
Capital. | 26.2 | 36.4 -0.1 | 3.22
Capital. | 26.2 | 36.4 -0.1 | 3.22
Do. Accum. | 55.4 | 59.6 -0.6 | 6.62
Income. | 65.3 | 71.3 -0.6 | 6.22
Income. | 65.4 | 70.1 | -0.1 | 277
International | 43.2 | 46.7 | 0.1 | 277
International | 46.4 | 70.7 | -0.6 | 8.49
Do. Accum. | 71.8 | 77.2 | -0.7 | 8.49
Equity Exercit. | 11.48 | 121.12d | -0.8 | 5.18
Do. Accum. | 45.0 | 48.3 | +0.1 | 0.79
Price: at March 9, Next dealing March 15. Equity & Law Un. Tr. M.V (a)(b)(c) Midland Bank Group

James Finlay Unit Trust Magt. Ltd.

Framfington Unit Mgt. Ltd. (2)
5 7 imland Yard EC:R 5DH. 01 2486971

National Westminstery
101, Chespide, EC29 6EU,
Capital (Accum.) 75, 10
Financial 77, 10
Financial 70, 10
Fin | Init. Tst. (Acc.) | 152.7 | 152.4 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 163.8 | 01 588 4111 NEL Trust Managers Ltd. (a)(g).

34 ftml 799 Million Court, Dorving, Surrey.

591 Total 1014 4 20 Netsar High Inc. 572 70.71 +0.91 5.07 10.91 10 Perpetual Unit Trust Mingmt.9 (a) Practical Invest Co. Ltd. (y)(e) Fractices Invest Co. Ltd.♥ (y)(c)

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Scoth INSURANCE AND

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Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

For Arrew Life Assurance see Provisioner Capitol Life Assurance

Cannon Assurance Ltd. V

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Ensity Units, 519 57 - 0.16 - 70.02 8576
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Ensity Band Exec. 513.25 14.02 - 0.13
Bal. Rd. /Exec/Unit. 514.37 15.21 - 0.04
Deposit Bond 118.9 12.6 - 2
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Provincial Life Inv. Co. Ltd.Y Ridgefield Management Ltd. 38 40, Kennedy St., Manchester 061 236 8521 Ridgefield Int. UT ... 193 104.0 +4.0 8.85 Ridgefield Income... 197 0 104.0 +4.0 8.85 Rothschild Asset Management (g) Rowan Unit Trust Mngt. Ltd.Y (a) Royal Tst. Can. Fd. Mgrs. Ltd.
54, Jernyn Street, S.W.J. 01 629 8252
Cancial Fd. 72.0 76.5 ml 3.40
Income Fd. 77.0 78.0 7.20
Prices at March 13, Next dealing March 30, Save & Prosper Groupy 4, Great St. Helens, London EC3P 3EP 68 73 Queen St., Edinburgh EH2 4NX Dealings to: 01 554 8899 or 031 226 7351 Dealings to: 01 554 8899 of international Funds Capital. 39.0
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Equity & Law Life Ass. Soc. Ltd.

General Portfolio Life Ins. C. Ltd.

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G. Equity Fund. 119.9 125.7 ...

G. Lint. Fund. 119.9 125.7 ...

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G. Lint. Fund. 119.9 111.5 ...

G. Popy, Fund. 119.9 111.5 ...

Growth & Soc. Life Ass. Soc. Ltd.V

De, Accum. 92.5 100.0 Deposit initial 92.5 100.5 De, Accum. 93.5 100.5 Hambro Life Assurance Limited®

Gresham Life Ass. Soc. Ltd.

Schlesinger Trust Magrs. Ltd. (2) Sebag Unit Tst. Managers Ltd. (2) Stewart Unit Tst. Managers Ltd. (a)

Target Tst. Mingrs. Ltd. 9 (a) (g)
31, Gresham St., ECZ. Dealings: 0296 5941
Target Commodity. 45.8 49 2 + 1.1 3.74
Target Financial. 71.0 77 1 + 0.7 4.09
Target Equity. 41.5 44.6 + 0.1 5.75
Taret Ex. March 14. 230 6 242.7 6.30
400. Acc. Units. 321.7 385.6 6.30
Target Growth. 321.7 315.3 3.50 3.00
Target Growth. 32.4 34.84 + 0.3 3.00
Target Pacific Fd. 27.4 56.6 0.1 2.11
Do. Reliw. Units. 32.4 3.5 0.1 2.11
Target Inv... 95.8 7.8 3.5 0.1 3.09
Target Pr. March 14. 171.5 180.5 0.1 3.69
Tg. Special Sht... 22.2 23.9 st. +0.1 4.69

The London & Manchester Ass. Gp. V

Transatiantic and Gen. Secs. Co.♥
91.99 New London Rd. Cheimsford
Barbican March15. 485.1 90.2 529
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(Accam. Units.) 133.9 141.9 529
(Burleyn, March15. 90.3 53.3 3.84
(Accam. Units.) 113.7 120.0 13.84
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(Accam. Units.) 65.4 71.1 6.59
(Accam. Units.) 76.5 81.3 4.58
(Accam. Units.) 66.5 69.7 2.20
(Accam. Units.) 66.5 75.2 2.99
(Accam. Units.) 66.6 77.2 3.99
(Accam. Units.) 66.6 77.8 9.8 8.12
(Accam. Units.) 78.4 9.8 8.12 Tyndall Managers Ltd. Lendon Wall Group Capital Growth..... | Landon Wall Group | 19.8 | Do. Accum. | 19.1 | Etra Inc. Growth | 41.0 | Etra Inc. Growth | 41.0 | Etra Inc. Growth | 41.0 | 41.0 | Etra Inc. Growth | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41.0 | 41. TSB Unit Trusts (y) TSB GHR FILESS (y).

21, Chaury Way, Anobeer, Hants.

Dealings to 0264 63432 3

(b)TSB General — 51,0

(b) Ds. Accum. — 67,3

(b) Ds. Accum. — 67,3

(b) TSB Income — 64,8

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London Indemnity & Gal. Ins. Co. Ltd Royal Insurance Group 583511. 39.11 -0.11 — 39.11 -0.12 — 39.11 -0.23 — Save & Product Group

4, Gl. St. Helen's, Lndn., EC39 SEP. 01-554 8899

Bal. Inv. Fd. 137.1 145.1 -0.7 1

Protecty Fd. 156.6 176.3 10.8 1

Deposit FdF 150.4 137.1 10.8 1

Deposit FdF 1 128.9 137.1 10.8 1

Deposit FdF 2 128.9 137.1 10.8 1

EquityPens Fd 1 21.8 23.1 6 1.8 1

Prot. Pens Fd 1 254.7 166.9 1

Gitt Pens Fd 1 254.7 166.9 1

Gitt Pens Fd 1 266.8 111.4 1

Depos. Pens Fd 4 166.8 111.4 1

Weedly dealings. Enterprise House, Partsmouth

60 Bartholomew CL, Waltham Cross. WX31971
Portodic Fd. Acc. | 155.8 | |
Portodic Fd. Int. | 43.2 | 45.4 | |
Prolic Fd. Int. | 47.5 | 50.0 | | 0202767655 Merchant Investors Assurance Lean Hse, 253 Hi Property Property Pens Equity-Equity Pens Money Market Money Mar Pens Deposit Managed Managed Pens Int. Equity Deposit Pens Int. Equity Lean Has., 253 Kitch St., Croydon. 01-283 7107 NEL Pensions Ltd. Milton Court, Darking, Surrey.

01-499 0031 Nelex Depor New Zaaland Ins. Co. (UK) Ltd.Y Norwich Union Insurance Group♥ 01-686 4355 Pearl Assurance (Unit Funds) Ltd.

Mill Samuel Life Assur. Ltd. V

Ni A Tar., Addiscambe Ro., Cray.

Property Units | 188.4 | 74.9 | 75.9 |

Property Series A 108.9 | 74.5 | 75.9 |

Managed Series A 103.7 | 76.9 | 76.7 | 76.9 |

Money Units | 225.9 | 76.7 | 76.9 |

Money Units | 225.9 | 76.7 | 76.9 |

Money Units | 26.7 | 76.7 | 76.9 |

Money Series A 100.5 | 76.7 |

Money Series A 100.5 | 76.7 |

Fixed Int. Ser. A 100.5 | 76.7 |

Pros. Managed Cap. 135.5 | 76.7 |

Pros. Managed Cap. 135.5 | 76.7 |

Pros. Greed Acc. 118.5 | 76.7 |

Pros. Fron Int. Acc. 97.5 | 76.8 |

Pros. Fron Cap. 97.8 | 76.7 |

Imperial Life Ass. Co. of Canada

Imperial House, Guidlord. 77.255 Phoenix Assurance Co. Ltd. 4-5 king William St., EC4P 4HR. 01-626 9876 Weath Av. 121.9 128.4 — Eb? Ph. 645. — 82.4 86.9 — Prop. Equity & Life Ass. Co.4 Prop. Equity 8 Life Park Col. VI 19 Crawford Street, WIH 2AS. 01-486 0857 R Sish Prop. 8d. 191.9 - 70. Equity 8d. 32.2 - 71ex Money 8d. 156.1 - 71ex Money 8d. 15ex M

Solar Life Assurance Limited Sun Allance Fund Mangmt. Ltd. Sun Alliance House, Horsham.

Equity Fund [283]
Fixed interest for [283 Sun Life of Canada (UK) Ltd. Target Life Assurance Co. Ltd.

| Continue C

| 120, Regent St., London W1R 5FF | 01-439 7081 | LACOP Units | 16.7 | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.15| | 10.1

OFFSHORE AND

Banque Bruxelles Lambert 2, Rue De la Regence B 1000 Brussels Renta Fund LF.......[1.913 1.972] +1] 8.07 Bank of Bermuda Building, Bermuda C'oury March 2 ______ |505222,440 Samuel Montagu Ldn. Agents Bridge Management Ltd. Britannia Tst. Mngmt., (CI) Ltd. 30, Bath St., St. Heller, Jersy. 05. Nat. Westminster Jersey Fd. Mgrs. Ltd. 0534 73114 34, 54m 34., 34. network relationship of the communication of the commun Pacific Basin Fund 10a Boulevard Royal, Luxembourg. NAV March 16....... US\$10.06 |+0.02|

Capital International S.A. Charterhouse Japhet Citve investments (Jersey) Ltd. Cornhill Ins. (Guernsey) Ltd.

#IGHTHORIS LIFE A55. Ltd.
48, Airol Street, Douglas, 1.0.M. 0624 23914
(c) The Sither Trust. 135.4 138 14.2 —
Richmond Gd. 54. 1224 137.4 12.1 —
De Plainam Bd. 1225 137.4 12.1 —
De Diamond Bd. 1225 197.0 12.1 —
De Em Income Bd. 160.3 166.5 10.1 —
Carrillon L.6. dd. 196
Proc on Pro. 12. Neat Dealing March 12.
Rothschild Assat Management (C.1.)

Dealing to P.O. Box 73, St. Helier, Jersey

Enterprise House, Portsmouth.

Bagatelle Rd. St. Saviour, Jersey. 0534 73494
TSE Jersey Fund 53 7 56 5 425
TSB Guernsey Fund 53 7 56 5 425
Friest on March 14, Next sub, day Starrt 21.

Intums Management Co. N.V., Curatao. NAV per share March 5. SUS46.31. Tyndall Group P.O. Box 1256 Hamilton 5, Bernnuda, 2-2760

Overseas March 14. | US\$1.77 | 1.24 | ... | 6.00 | ... | 4.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... | 6.00 | ... |

Surinvest (Jersey) Ltd. (x)

P.O. Box 320, St. Heller, Jersey 0534 37361 Clive Git Fd. (C.I.) 18.61 10.65 10.33 Clive Git Fd. (Jay.) 10.63 10.66 10.32 DWS Deutsche Gas. F. Wertpapiersp Dautscher Investment-Trust Dreyfus intercontinental inv. Fd.

arch 16. US\$21.50 (+0.25), F. & C. Mgmt. Ltd. Inv. Advisars 1-2 Laurence Pountney HIII, EC4R OBA 01-623 460 Gent. Fd. March 7.....| \$U\$5.63 [......]

Fidelity Mgmt. Research (Jersey) Ltd., Waterloo Hse., Don St., St. Heller, Jersey. 0534 27561 First Viking Commodity Trusts 10-12 St. George' Sp., Douglas, 1.o.M. 0224 25019 Fer. Vik. Cm. Tgl. 1425 445 - 0.6 3.30 Fst. Vik. Ddl. 0g 1st 1572 392 + 1.0 Free World Fund Ltd.

Prices on Marth 14, Next sub, day March 21.
TSB Gift Fund Managers (C.J.) Ltd.
Basatele RO, St. Saroon, Jersey. 053477494
TSB Gift Fund. 107.0 110.0 1150
TSB Gift Fund. 107.0 110.0 1150
Prices on March 14 Next sub. day March 21.
Tokyo Pacific Holdings N.V.
Intums Management Co R V., Curacao.
NAV per share March 5. SUS63.55.
Takyo Pacific Hidgs. (Seaboard) N.V.

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13. Hambro Pacific Fund Mgmt, Ltd. Far East March 14 MKS1412 14 59 ... Japan Fund March 16 USS216 9.63 -014 --

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NOTES

Prices do not include 5 premium, except where indicated \$\frac{1}{2}\$, and are in pence unless otherwise indicated. Yields \$\frac{1}{2}\$ ishown in last column allow for all busing expenses. a Offered prices include all expenses, b Today's prices, c Yield based on other price. It Estimated \$\frac{1}{2}\$ today's opening price h Distribution free of UK tases, \$\frac{1}{2}\$ periodic premium mixinace plants. \$\frac{1}{2}\$ Single premium intrinace, \$\frac{1}{2}\$ Offered price unledes all expenses it begins to commission, \$\frac{1}{2}\$ Offered price includes all expenses it begins through through realizables. \$\frac{1}{2}\$ Premium day's price. \$\frac{1}{2}\$ New for it are no related cantally analytic indicated by \$\frac{1}{2}\$ Guernsey good \$\frac{1}{2}\$ Suspensed. \$\frac{1}{2}\$ Yield before Jersey tax. \$\frac{1}{2}\$ Exceptions and the similar production of the price of

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1978 Mar. Rolls-Royce Silver Shadow II Saloon. Silver Chalice, Black Everfley roof. Surf Blue leather. Speedometer reading 3,500 miles. 1977 May. Rolls-Royce Silver Shadow II Saloon. Walnut, Beige leather. Speedometer reading 3,500 1976 Feb. Rolls-Royce Silver Shadow Saloon. Pewter, Green leather. Speedometer reading 39,500 1976 Jan. Rolls-Royce Silver Shadow Saloon. Walnut, Beige leather, Speedoineter reading 41,000

1973 May. Rolls-Royce Silver Shadow Saloon.
Black over Walnut, Black leather. Speedometer reading 38,600 miles. 1973 May. Rolls-Royce Silver Shadow Saloon, Caribbean Blue, Dark Blue Everfie: roof, Magnotia leather. Speedometer reading 56,700 miles. £17.950 1973 Way Palls Page Clarate Change E17.950 1973 May. Rolls-Royce Silver Shadow Saloon.
Speedometer reading 59,000 miles.

1973 May Rolls-Royce Silver Shadow Saloon.
Speedometer reading 59,000 miles.

1973 May Rolls-Royce Silver Shadow Saloon.
Speedometer reading 62,000 miles.

1973 Speedometer reading 52,000 miles.



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1978 Sept. Rolls-Royce Corniche Convertible finished in Silver Chalice with Blue hide throughout and Dark Blue hood. 350 miles. 1978 Aug. Rolls-Royce Silver Shadow II in Willow Gold with Brown hide interior and Brown Everilex

roof, 1.800 miles. 1977 May, Rolls-Royce Silver Shadow II in Silver

Sand with Brown hide interior. Supplied and serviced by us. 25,000 miles. 1977 Feb. Rolls-Royce Silver Shadow Long Wheelbase in Oxford Blue with Baroda Blue cloth interior. Supplied and serviced by us. 24 000 miles. 1974 June. Rolls-Royce Silver Shadow in Shell Grey with Blue hide and Black Everilex roof. 17,500 miles, Immaculate condition. One owner, 1973 Jan. Rolls-Royce Silver Shadow in Special Light Metallic Blue with Black hide and Black Everilex roof. Everflex roof. One owner, 30,000 miles.



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1978 Aug. Rolls-Royce Silver Shadow Series II Saloou, finished in Wainut with Silver Sand side punels and Magnolia hide uphoistery faced with Brown leather "T" registration, speedometer reading only 3,500 miles. Price on application 1976 Jan. Rolls-Royce Corniche 2-door Coupe finished in Silver Chalice with a Black Evertlex roof and Deep Red hide uphoistery. Head rests fitted all round. Complete service history from RR crew. Speedometer reading 23,000 miles. A magnificent car and comparatively priced at £38,250, 1974 Feb. Rolls-Royce Silver Shadow Saloon finished in Walnut over Regency Bronze.
Speedometer reading 48,000 miles. A beautiful and very well maintained motor car.

1973 Oct. Rolls-Royce Silver Shadow Saloon finished in Silver Sand with a Brown Evertex roof, Beige hide upholstery and Lambswool rugs. Excellent service history. Speedometer reading 58,000 miles. 1969 Bentley T Series Saloon finished in Shell Grey with Red hide upholstery. One owner from new. Speedometer reading 32,000 miles. Recently recellulosed. Full service history. A truly remark-



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1974 Apr. Rolls-Royce Silver Shadow. Walnut with Light Beige Everflex roof and Light Beige leather interior. Flared wheel arch model. Recorded mileage only 50,000.

1978 May Daimier Double-Six Vanden Plas. Amethyst with Tan interior. One owner. Recorded mileage under 12,000.

1978 Jan, Daimier Sovereign 4.2. Juniper Green with Cinnamon interior. Tinted glass, electric aerial. Recorded mileage only 7,000.

1978 Aug. (T) BMW 633 CSIA Coupe. Resedagrun Metallic with Brown velour interior. Electric sunrouf, tinted glass, electric door mirrors. roof, tinted glass, electric door mirrors. \$15,750 New Daimier Double-Six, White with Black vinyl roof. Chrome wheels, Cinnamon internr, air-



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Ivory: Electric steel sunroof, electric windows, centre door locking. Blaupunkt radio/cassette player. Speedometer reading under 24,000 miles. 1978 Jaguar 3.3 Injection Saloon Auto. Finished in Dark Blue with Biscuit leather. Air conditioning Chrome wheels. Radio/stero. Indicated mileage under 3,000. 1976 Jaguar 3.3 Injection Saloon Auto. Finished in Dark Blue with Biscutt leather. Air conditioning. XJS alloy wheels, Electric sunroof, Indicated mileage under 23,000. Regency Red with Sand cloth. Indicated mileage under 30,000. under 30,000. 1978 Cortina 2000 Ghia Estate finished in Silver. 1978 Cortina 2000 Ghia Estate finished in Silver. £4.545 Speedometer reading under 9,000 miles. £4,545 1976 Ford Granada 3000 GL Estate Auto. Finished in Dark Blue with Blue cloth. Indicated mileage under 29,000. 1978 Cortina 2.3 GL Automatic Saloon finished in 1978 Cortina 2.3 bl. Appropriate Date 11,000 miles.

El 295



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Carnivel Red with Black Hide and Red inserts and Special interior trim

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1978 ROLLS-ROYCE SILVER SHADOW II SALOON Honey with Dark Brown Hide

1977 ROLLS-ROYCE SILVER SHADOW II SALOON

1976 ROLLS-ROYCE SILVER SHADOW SALOON Nutmeg with Berge Hide 34,000 miles

1974 ROLLS-ROYCE LONG WHEELBASE SALOON WITHOUT DIVISION
Seychelles Blue with Blue Cloth Interior
35 000 miles

1972 ROLLS-ROYCE SILVER SHADOW SALOON Silver Mink with Dark Blue Everflex Root and Dark Blue Hide 40,000 miles

1978 BENTLEY TZ SALOON

1978 ROLLS-ROYCE SILVER SHADOW II SALOON
Willow Gold with Brown Everflex Roof with
Beige Hide

1978 ROLLS-ROYCE SILVER SHADOW II SALOON

1977 ROLLS-ROYCE SILVER WRAITH II

WITHOUT DIVISION Caribbean Blue with Blue Evertiex Roof with Special

1977 ROLLS-ROYCE SILVER SHADOW II SALOON
Mutanes with Ivory Side Penels and Dark
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1974 ROLLS-ROYCE CORNICHE CONVERTIBLE Le Mans Bine with Black Hood and Black Hide 43,000 miles

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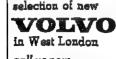
1979 Del. Mige, BMW 323i Black, gray cloth int., full spac. 1979 Dei, Mige, 450 SLC 1979 Del. Mige, 350 SE Dark red, parchment int., E.S.R., alloy wheels, atereo.

1979 Del. Mige. 350 SE Fire engine rad, black cloth, E.S.R., E.W., Lints, stereo. 1979 Del, Mige. Mercedes 280 SE Wilan brown, perchment int . E W., centre locking, stereo tinta.

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British International Footwear Fair (01-739 3817)
(until March 20)
Tax Fair (04982 72711) (until March 21) Date Current Current Toy Fair (04252 72711) (until March 21) Scottish Business Show (031-229 6412) (until Current . March 23) March 23)
International Public Address Equipment Exhibition
—Sound (Slough 39455)
EIA Engineering Exhibition (01-222 2867)
London Fashion Exhibition (01-385 1200)
The Scottish Hotel, Catering and Licensed Trade
Exhibition (031 229 6412)
Leatherwear International (01-385 1200)
Birmingham Motor Show (0602 51202)
Ideal Homes Exhibition (031 225 9657) Mar. 21-22

OVERSEAS TRADE FAIRS AND International Light Industries and Handicrafts
Fair (01-486 1951) (until March 25)
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Mar. 19—29
Mar. 19—29
Mar. 19—20 202221 Mar. 20 Institute of Directors: Annual Convention Mar. 20—22 RRG: International Captive Insurance Co RRG: International Captive Insurance Companies
Conference (01-236 2175)
CBI/IPBA: India 1979 (01-930 6711)
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Mar. 21—23 Brunel Institute: Management of remuneration and motivation (0895 56461) Mar. 22—June 7. IPM: Industrial Relations Law: The impact of current legislation (01-387 2844)

Mar. 22—23 CICC: Urban Planning and Public Transport (0602 813078) University of Bradford Management; Field Sales Management (Bradford 42299)
The Centre for Professional Advancement: Powder Technology
CAM/CDT: The Law in relation to Communications, Advertising and Marketing (01-839 1547)

Oyez/IBC: Resisting Contractors' Claims in the Construction (01-242 2481) Construction (01-242 2481)

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Mar. 27 Mar. 27 Mar. 27—28 ... CAM Foundation: Writing for Effective Sales Promotion (01-828 2771)
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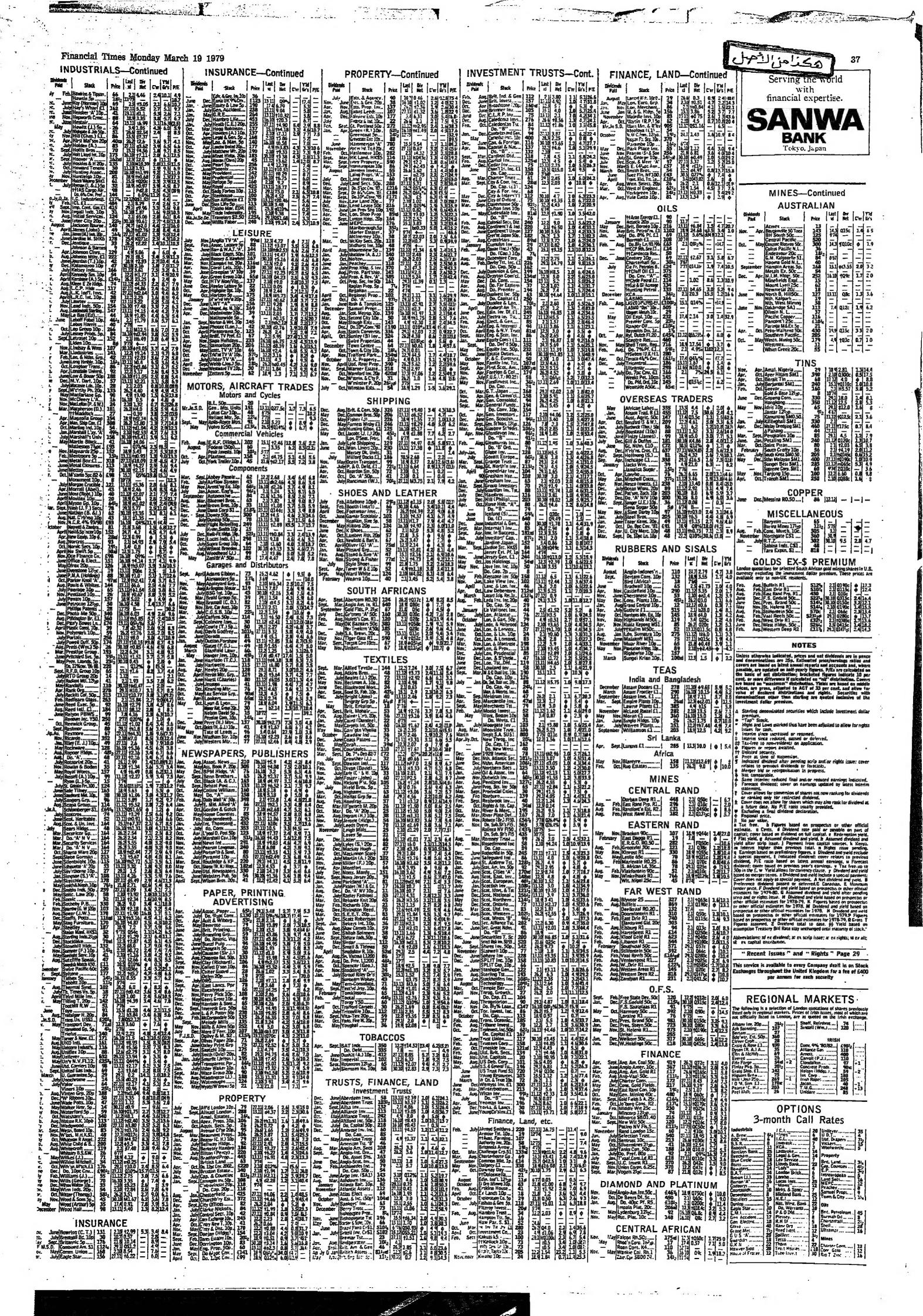
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Henry Boot Construction Limited London 01-373 8494 Sheffield 0246 410711 Henry Boot Construction Limited London 01-373 8494 Sheffield 0246 410711 — Do. 5pc 1912	Price Last 20 % Red 5 27 2	Elvident: Pold Stuck Sept. Mar. Hong Stung \$2. June Nov. Jessel Toynbe Jan. June Loseoh (Leo) &	Price T Price	Stock Price 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Cir Cir Cir P/E P/E Pail Stack	Prize Int Sir Cw Grs P/E	Jan. Oct. F.M.C	1002 178 0.65 14 17115 64 271411 15 26107
London 01-373 8494 Sheffield 0246 410711	430 412 47	Sept. M.w. Hong Sing S2 June Nov. Jessel Toynbe Jan. June Joseph (Leo) £ Feb. Aug. Keyser Ultrus June Dec. King & Shax 2l May Nov. Kelenwort B.1 Aug. Apr. L. Joyds £1	n 63 33 0.67 — 1.6 — 16ay N p 70 1311 3.44 — 7.4 — Aug. F - 122 210 4.6 — 5.8 — Dec. M 5 22 10 15 66.0 4.7 4.4 Juse D 0 49 122 3.52 11 10.7 13.8 Agr. No	00 Haistead (J.) 10p 35-2 35.0 et liks.n. Weich 50p, 237 15.1 3.7 4 Hoechst DM5 496 6 0.0-1.17 11.1 11.1 11.1 11.1 11.1 11.1 11.1	5.03 1.1 7.416.6 0.62 May Ask & Lacy	42 1177 1258 10 9237.0 36 151 1115 3.4 5.7 7.9 87 1610 1536 3.8 9.2 4.0 132 26.95 2.1 6710.7 225 1610 475.9 3.0 3912.9 130 475.9 3.0 3912.9	Now. Agr. Glass Grover 20 Jan. Lone Hazles of P. 20p Feb. Sept. Hillards 100 2 Jan. Judy Hinton (A.) 10p Hr. Je S. D. Heratt \$2.50 1 Judy Dec. Kwit Save 10p Joe. Agr. Lemons Gp. 10p Jan. Oct. Lunfood Hidds 2 December Lockwoods 3 May Nov. Lovell (6.F) 1 May Jan. Low (Wm.) 20p Joe. May Maxthews (8) 4 Agr. Nov. Meat Trade Sup. 3	132 12305260 4 44 6 100 27.111264 29 39129 43 1112 10167 24 5918.0 1112 10167 24 578.0 1112 1010412 45 5.5 6.0
BRITISH FUNDS 14 10 10 10 10 10 10 10	86 1117 72 121 77 11 152 94 131 135 21 6 121 135 210 3 22	Jan, Sept, Manson Fin. 25 Sept. Mercury Secs Cct. Apr. Middand 6.1 Dec. June De. 71-74.83 June De. 71-74.83 June De. Mar Zh. Aur. S. June De. Mar Zh. Aur. S. Juny Mart. Com. Gr		1 mp. Cheen 1	55	74 1117 1021 23 44 9.8 150 1112 16.45 4.9 6.4 52 36 13.11 1.79 36 7.4(4.1) 72 18.9 12.19 3.7 4.6 8.9 74 18.9 12.76 3.5 5.6 7.6	May Nov. Lovell (G.F) May Lan. Low (Wm., 20p) Oct. May Matthews (B) Apr. Nov. Meet Trade Sep Morgan Eds. 10p.	66 49435 0 102 0 711611 20 91865 220 2181929 34 63 71 90 25210137 0 9122142 88 777 0 9122142
17M 17ST reasury 3pc 79±1 967 ₆ ml 8.2 3 09 9.54 May 1 Turin 9pc 1991. 26M 265 Electric 41pc 74 79 97.3 ml 192 4 37 19.00 15 15 15 15 15 15 15 15 15 15 15 15 15	355 112 - 6 121 6 21 6 125 6 21 6 125 6 12	June Del Del Del Del Del Del Del Del Del De	711 015c 107 4.8/4.17 6.5 Apr. 5. 343ml 122 12.83 65.7 5.6 4.3 May N 12.34 6.7 6.1 — July N 12.34 6.7 6.1 — July N 12.34 6.1 6.1 Apr. 6.1 6.1 Apr. 6.2 12.11 6.2	pt Resear Wr. 10p 310 122 f. or. Restold 10p 90st 125 f. or. Revertex	1.7 25 6 Nov. May Barton & Sons. 1.311.6.9 Nov. May Barton & Sons. 3.14 7.8 1.512.6 May Dec. Beautord 10p. 3.39 22 8.0 7.1 Mar. Sept. Birnold Ontheras 2.5 6 10.1 6 Jan. July Bornghan. Mari. 3.33 5.1 2.511.8 Asp. Feb. 8 Nov. Palet 10. 10. 10. 10. 10. 10. 10. 10. 10. 10.	576 3018 (6.39) 2.1 9.4 /.5 29 7.8 1.48 2.7 7.6 8.8 576 2.2 4.98 6.7 12.9 16.9 26.2 4.98 6.7 12.9 16.9 28. 151 6.25 2.8 12.6 6.9 38. 151 6.25 2.8 10.6 6.9 46. 3018 22.6 4.4 4.9 6.9 21 7010 171 32 2.8 9.5 8.1	November May Needlers May Age May Needlers May Age Age May Northern Foods Oct. May Nurdin P'L 10p Dec. Aug. Parito (P.) 10p Pyte Hides. 10p	53 378 d201 9 5.9 0 120 15.11 3.75 3.86 4.7 9.2 92 18.9 td. 87 5.1 3.0 92 23 27.11 91.55 2.710.1 4.6
1/3 reasury 3pc 799± 973 13 0 7 954 14 15 15 min 9pc 1991 15	RICANS	Jan. Aug. Stano's Chart:	11 484 21 119.64 3.4 6.1 6.1 Apr. (50 511), 315 055c 3.2 4.9 6.4 Nov. (50 511), 315 055c 3.2 4.9 6.4 Nov. (60 511), 350 251 17.66 — 7.5 — 45. (60 511), 312 5172 — 4.5 —	tor Scot. Ag. Ind. 51. 185 122 13 tor Scot. Ag. Ind. 51. 185 122 13 tor Scot. Ag. Ind. 51. 185 122 13 tor Scot. Ag. Ind. 51. 188 122 13 124 13 14 14 14 14 14 14 14 14 14 14 14 14 14	25 0 10 1 1 1 1 1 1 1		Alary Jan. Low (Wm.) 20p J Oct. Many Masthews (B) Apr. Nov. Med. Trade Sep. Moreoffer May Marchern Foods J Oct. May Nurrile Pt. 10p Dec. May Nurrile Pt. 10p Dec. Aug. Parto (P.) 10p Phe Hides J Jon. Juny R.H. M. Jan. Juny Robertson Foods Jan. Juny Robertson Foods Jan. June Rowetree M. 50p Jan. June Sainsbury (J.) September Sonsorrex	57 178 + 10.7 161-8 1174 1610.5 90 46 11.12 3.42 1.610.5 90 27.11 5.81 2.7 5.6(7.6) 408 27.11 1.1.20 5.2 4.8 9.9 298 16.10 16.13 3.6 3.1 11.2 70 7.8 3.77 2.7 8.0 6.2
25M ZN Extractory 1902 1902 1151	17-2 12 \$1.00 — 59 159 5% — 34-2 72 \$2.20 — 194 21 \$1.60 — 127 21 \$1.60 — 127 22 40 —	Nov. March Wintrust 20p. 10 10 10 10 10 10 10 1	Purchase, etc. Jan. J 19 37 21 20 75 100 Jan. J 17 159 1290 121	123 di 1311 Amber Day 100 559 mi 123 di 1311 43 1311 425 1311 425 1311	251 3.0 7.0 6.5 May 0c. Brt. Alerham E. 155 3.1 5.4 9.1 July Dec. British Northron 1.55 3.1 5.4 9.0 Jan. Aug. Brit. Steam 20, Jan. Jan. Brotk Steam 20,	100 718 1500 34 7.2 45 57 159 609 32136 26 94 21 m4 75 22 7.6 90 94 21 405 31 7.8 50 711 405 32 7.8 50	Feb., June Spillers	49.1 27 11 137 24 42115 49.1 12 1.81 0 5.5 0 150 35.2 64.34 8.2 4.3 4.2 142 122 210.5 01.4 ‡ 8.7
15A 15F Treasury 30c 82tt 8652 911 3.46 837 0.44r_ls.SP. Bendix Corp. S5 16M Treasury 14pc 82tt 1061 and 72 13.19 11.51 44.5.0. Beth. Steet 88 150 15J Treas Variable 82tt 95 311 12.45 13.75 Ja.Ap. Jv. 0. Brown of Fer. clipt 54 54 (Treasury 84pc 82 911.) 112 9.01 1136 Feb. at 18 (Supranor Corps.)	25 311 44c — 164 32 26.2 \$10 — 267 33 32.2 \$6 — 164 311 \$1.40 — 3 10 14.12 50c — 4 974p 22.1 80c —	1.3 — Gredit Data Ji 3.0 Aug. Jan Linyk & Soci. 2 4.8 Dec. June Lud Scot. Fin. J 4.4 — Harry Merc. J 0.1 Oct. Mar-Prov. Financi. 4.2 Mar. Sept. Strip. Gredit Ji 2.2 — Strip Line Hidgs. 1 0.0 Agr. Oct. Wagen Finan	10 37 21 tet 186 20 7 5 10 0 Jan. 10 27 2 15 5 0 12 2 2 2 1 — April 20 2 2 2 2 1 — April 20 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Table 19 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	37 - 15.7 Nov. May Bronz Eng. 10; 10 95 20 56. Nov. May Bronz Eng. 10; 10 10 36 50 0.8214 May Sept. Brotherbit P. Step. 15. 2 2 4 4 1 40. Apr. Sept. Brown John El. 17 00 27 1 40 02 585 May Regulorest 202.	32 1610 1159 43 7.4 48 49 201251 29 7.7(5.4) 1004 1236.45 1.6 9.6 9.2 154 3.2 94.88 3.5 4.7 8.0	Mar. Sept. Tesco Sp	65 1511 1.66 3.4 3.8 1.4 85 122 73.46 2.9 6.0 8.9 8.1 13.1 13.1 13.3 15.5 6.0 8.0 8.1 13.1 13.1 13.3 15.5 6.0 8.7 13.1
22M 228 Exch. 94pc 1982 934pd 312 9.91 11.63 F.My.Au.M. Burroughs Corp. S 912 11.63 F.My.Au.M. Caterpillarii. 178 17M Treas. 120c 83 Att. 1800-8 11.96 11.93 11.71 F.My.Au.M. Caterpillarii. 1814 Treasury 94pc 83 9354 11.60 11.91 11.93 F.My.Au.M. Caterpillarii. 1814 Treasury 94pc 83 9354 11.62 11.32 H.My.Au.M. Caterpillarii. 1814 Treasury 94pc 83 9354 11.10 11.40 11	5. 46 ³ ; 2712 200	器 BEERS, WIN	IFS AND SPIRITS	luly Brit. Home Strs. 226 13.11 + 5. Brown (N) 20p. 35 2.11 d	103 65 0.8214 July Stroke 100 36 54 2.2127 May Sept. Brown & Tauss 12 2.5 4.414.0 Apr. Aug. Brown & Tauss 10 0.114.4 Feb. Oct. Brown John E.I. 109 2.1 6.0 9.2 Sept. May Dec. Burberlied Hyp. 13.88 1.010.114.4 Feb. Aug. Butterfield Hyp. 14.5 2.6 2.7 10.7 (6.1) Jun. 14.5 2.6 2.8 (5.7) Feb. May Cardo Feb. 15. 2.6 2.8 (5.7) Feb. July Cardo Feb. 16. 2.6 2.8 (5.7) Feb. July Cardo Feb. 16. 108 55 3.4 8.1 Feb. Oct. Christy Bros. 101 16. 108 55 3.4 8.1 Feb. Oct. Christy Bros. 101 16. 108 55 3.4 8.1 Feb. July Cardon Feb. Sep 500	66 1111 35 26 79 63 79 13 79 13 13 13 13 13 13 13 13 13 13 13 13 13	HOTELS AN Genet (J.) Fr.200 Dec. July Breat Waiter Sp. Sept. Constert Int. 10p. Doc. June De Vere Hotels.	D CATERERS
28.1 18.Jul Treasury 94 pt 83 921 10.00 11.49 11.41 12.10 1	681p 62 40c — 1572 2212 5116 — 1015 211 16 — 1675 211 520 — 1157 221 5106 —	4.8 Jam. July Bass	189 21 61 34 48 73 June 19 192 3010 1852 48 2710 7 002 4 19 192 3710 1291 25 42144 Jun.	ec. Casket (S.) 10p 48 30.18 h gr. Church 182 49 3 http://cone. Eng. 128-p 135 218 f http://cone. Scorit Sn 28 77 1144	0 18 10 8 0 6 24 7 Am - Feb Catery (Ch) EL	40 11.12 (10.83 3.1 4.5.10.8 7.4 2.3 9.0 4.2 2.1 7.2 1.3 3.0 10.0 (3.9) 69 27.11 4.46 3.9 9.6 4.1 1.30 1076 10.7 5 — 8.6 9.8 2.1 15.5 4.8 4.1 5.5	Doc. June De Vere Hatels. Jan. Epicure 5p Apr. Oct. Grand Met. 50p Mar. Oct. Kursaal (M't.e.25 May Oct. Ladrotte 10p June Mt. Charlotte 10p	143, 1112 60.33 12 34358 143 24358 143 24358 143 243 414 32 5.0 7.7 1056 123 (0114 10 3.5 22.4 20.6 49 17 11 43 52 45 25 1740 55 0 33 4 6
22M 22N Exch. 1214pc 1985 1044 12.20 12.14 F. Br. Au. N. Collette P. S1 10.11 10.14 10	185 712 5144 — 224 11 5150 — 254 63 5190 — 254 63 5194 — 184 63 5184 — 184 63 5184 —	4.0 May Dec. Boddingtons. 3.9 Jan. July Border Brew 4.4 Aug. Feb. Brown (Matthe 4.0 Jan. July Buckley's Brew 4.4 Feb. Aug. Bulmer (H.P.) 5.1 Ph. My. Aug. No. City Lon. Def. 5.2 Are Dec. 1024 (Matthe	158 122 17.44 20 79(95) -	المصودا ووالا السندال المصامات	2.5 4.1 8.2 Aug. Feb. Compair 104 4.1 3.7 9.9 Jane De. Concentric 10h 5.38 1.7 9.0 (8.1) Jan. Jan. Jan. Jan. Jan. Jan. Jan. Jan.	51 1514.04 277.7.9 72 40 27112.66 1710.0 7.9 127 122 1051.4 4.8 7.7 4.0 25 1112.1.6 4 6.0 4 242 262 10.98 3.9 6.0 6.1 442 151.2.66 1.4 8.910.5	Jan. Be vere review. Jan. Epicure 5p	38 2711 to 46 33 1825 7 115 189 to 85 6 8 1315 7 37 189 to 36 6 8 1315 7 183 189 to 36 18 5 2 15 9 83 174 5 16 4 47 1915 8 574 123 166 44 2611 1
150 15/f reasury 18/pt 1991. 825 81/f 10.25 11.37 Ap. Jy. 0.12 First State 18/e 1. 10.14 Treasury 11/pt 1991. 984 412 12.21 12.36 Ap. Jy. 0.12 First Chicago. 20/e 37/51. 65% 11.3 2.69 10.85 Ap. Jy. 0.12 First Chicago. 20/e 21/e 22/e 22/e 22/e 22/e 22/e 22/e 22	9149 21 \$1.10 123-m 53 \$1.10 26 22 2 \$1.40 297 251 \$3.60 174-m 63 \$2.0 328-m 13 \$2.60	6.1 4.5 2.8 Nov. July Gough Bros. 5.8 Aug. Feb. Greener White 5.8 Aug. Feb. Greener King. 6.1 Aug. Feb. Greener King.	y 162 21 293 50 27 89 Jan.	ov. Ellis & Gold 5p. 28 15.10 f me Empire Stores 212 15.10 f to Executer 20p 63 18.9 d toly Fairdale Text. 5p. 26 13.11 1 toly Fine Art Dess. 5p. 5532 11.22 f toly Fine Art Dess. 5p. 5532 11.22 f	193 1210 3118 Feb. July Crown Hosse 5.99 23 3,816.8 June Dec. Commins 78/74 21.0 24 9.8 Jan. July Darcht b fru. 50 18 3.7 6.8 5.9 Jan. July Darcht b fru. 50 18 3.7 7.9 5.7 Oct. Apr. Dock Mrt. AVID 18 5.7 5.6 11.8 Apr. Oct. Davy Cayn	58 21 132 67 34 45 58 21 132 67 34 45 28 2711 125 44 7.8 4.9	Apr. Oct. Trust H. Forte Feb. Oct. Wene Heb. W. Mp Jan. Aug. Wheeler's 10p	24 2711 H15 0 93 0 520 25 10.5 2 5 50162 43 1127 128 35 45111 360 2711 180 26 47 1810.0
141 141 17 17 17 17 17 1	17.2 7.2 51.60 — 13.6 7.2 52.20 — 11.6 13 50.66 — 211.6 82.513.76 — 33.4 12.1 53.16 — 7.150 14.2 95.	26 Jan. July Highl'd Dist. 20 3.1 May Oct. Invergordon: 3.3 Aug. Feb. Irish Distillers 4.8 April Nov. Macatlan, Gle 6.7 June Jan Morfand		10c. Ford (M*5in) 10e. 39 25.2 2 10s. Formiresier 10p 156 20.19 10ly Foster Bros 20e 30.19 10c. Freezings (Log) 156 30.10 10c. Gelfer (A.1) 20p 42 25.2 4 10lockory A 80 2.1 1	26 o R.6 o Fernary Deson 109. 2.83 5.1 2.8105 Jan. Jame Delta Metal	27 21 d.5 1.7 5.4 5.7 5.7 1.1 5.7 5.1 1.1 5.0 1.7 5.1 1.1 5.0 1.7 5.1 1.1 8.7 5.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1 1.1	Agr. Oct A.A.H. Jan. June AGB Research Oct. Apr Agresse Bros. 10p.	ALS (Miscel.) 1034 123 1614 23 94 73 177 21 1625 134 22199 184 123 35 25 64 72
22F 22A[Exch. 121.pc 1994 1001, 16.11 12.57 12.59 F.Myanh, Waiser Al. St 17M	227- 229 5228 — 5 374- 2012 5220 — 111- 301 92- — 5 137-0 112 5126 —	5 Jan. June Sandeman. May Aug Scott & New 2 C. Apr. Tomatin	159 210 13.05 2.6 2.919.7 Mar. 150 21 45.03 3.2 5.0 8.1 42 7	Goodstan Br. 5p 1612 1977 B Goodstan Br. 5p 1997 B Gr. Gt. Universal 380 29.1 f ec. Do. 'A' Ord 378 29.1 f gr. Greenfields 10p 62 19.7 I Li Hardy (Furn) 43 7.8	83 3.0 7.5 6.6 September Draise & Scotl 8.30 3.3 3.3 13.7 June Dec. Daport 8.30 3.3 3.3 13.6 Jan. June Editor (Hidgs) 9.3 0 4.8 0 Feb. Oct. Elihott (B.). 1.2 0.77 Lan. Aug. Eng. Card Clott	106 22 20 37 7.8 4.6 106 30 15.41 42 7.8 4.6 107 174 21 16.35 3.8 5.4 5.7 108 11.2 15.36 5.4 4.1 5.7 125 11.12 15.03 5.1 3.6 6.6	Mar. Oct. Abbey Ltd December Aero & General Feb. Oct. Arriik Inds. 20p July Dec. Abioe Hidgs. 5a Dct. May Amal, Metal (£1) Feb, Sept Ang, Am. Asphalt	42 23 17 28 14 1 44 21 7124 17111 (65) 46 21 7124 24 379156 352 216 716 71 12 92127
3N 3M Tressery 15 arc 9644 1225, 27 9 15 06 12 52 JA 1.0. Res. N.Y. Corp. \$1 150 15 M Extrager 15 arc 9644 16948 9 10 12 66 12 50 F. Hydaux Resmort 5 14 10 Recomption arc 196 9 46 Jan 2.2 6.47 9 23 S.D. Mr. Ju. S.D. Mr. Ju. S.D. Saut (8. F.) \$1.2 12 68 12 69	508 p 1174 — —	BUILDIN	IG INDUSTRY,	Oct. Do. A' NV	7.2 3.1 4.8 10.1 May Oct Expanded Metals 6.8 6.4 3.4 6.9 May Oct Expanded Metals 7.8 122 20.7 6.9 May Oct Firth (GM) 10.0 7.8 1.6 1.8 1.7 Folks Ho ny 5.1 May Oct Firth (GM) 10.0 7.9 122 9.0 Dec. June Francis India.	168 30.10 8.34 ¢ 7.7 ¢ 7.8 †2.5 0.2 10.8 64.8	July Dec. Arenson (A) 10p Mar. Oct. Austoch Comms 'A' Ass. Sprayers 10p Apr. Nov. Austin F (Ley) 10p July Jan Avon Rubber £1 July BBA Group	116 131 123 129 27 65 65 65 121 103 103 103 103 103 103 103 103 103 10
10		2.0 June Nov Aberdeen Cone 3.8 July Aberthaw Cer 5.4 Feb. Oct JAllied Plant 16 77.3 Feb. Oct Armitage Similar Armchiffe 10p	t. 81 210 14.68 3.9 8.6 4.5 Apr. 134 1311 6.86 3.9 7.6 5.0 Dec. 11112 100.72 2.9 5.1(7.9) Dec. 17.9 Dec. 1	une Hepwort (J.) 169 79 25 2 bct. Home Crarm 10p 354 26.2 3 buty House of Fraser 166 16.10 1 me House of Lerose 80 30.10 2 Jones (Erec.) 10u 203 26.2 0 Notice Depent 10 46 — b	54 25 49122 Jan, June GET Intrul. 20p. 449 16242 Nov. June Garton Eng. 10p 4481 6 Jan. Aug. Genten Eng. 10p 438 21 82 95 Jan. Aug. Glynwed Jan. 40p Glynwed Jan. 40p Glynwed Jan. 40p Glynwed Jan. 40p Granges Ki00. 134 34 3 7.8 May Dec. Greenbank 10p	0 14 178 0.34 - 3.6 - 169 218 820 14112 9.7	Apr. B.E.Y. Deki	72 271 35 19 73 86 408 49 110 434 40 94 186 1311 1037 36 83 63 27 77 1311 QQC 22 66 12
22J 22JalErch. 12pc '99 02 9772 121Z 12.54 12.57 Mr.Ju.S.D. Time Inc 17. 134cr 2000 03:50pd 6112 12.58 12.74 Ja.p. Ju.D. Transamerica \$1 14.11 14	27st 25.2 \$1.50 — 12 22.2 \$1.50 — 261, 7111 \$2.20 — 161, 3111 \$1.60 — 151, 2118 \$1.40 —	2.6 Feb. Aug. BPB Inds. 50 2.8 February Baggeridge Br 4.2 May Dec. Bailey Ben 10 4.9 Feb. Aug. Beechwood 1 4.7 Benlox 20p	b. 15 3010 c0.6 1.9 6.0 14.5 0ct. 1 23 210 814 27 9.9 4.3 1an	Knott MiH 10p. 26 674 Pricestick 10p. 27 28 28 29 Uty Lee Cooper 265 16.10 th co. Jb. Nos. Vsz. Ord. 166 16.10 th	202 62 26 02 Feb. Juvillal Mathew.	267 1311 1530 1.6 8.8(8.9) 9 33 21 22 0 10.0 0 125 16.00 7.92 1.0 9.4 16.9 127 210 4.9 0 5.9 0 267 1112 7.11 13.8 4.0 9.9	Aug. Mar. Bartow Hepburn June Dec. Bauter Travessol Dec. May Seaton Clark Feb. Aug. Beecham Bellair Cos. JOp	33 22 3.61 4.0110 3.9 525 1112 050c 8.0 10355 227 1610 524 63 1.217.9 690 2711 52258 23 4.712.9 25 1073
Undated Conversion fac	[10 2 15] 30c - (based on US\$2,0350 per tor 0.7177 (0.7164)	Oct. May Blue Circle Apr. Nov. Blundell Perr Oct. May Breedon Link	51 293 49 1948 3.4 4.8 92 Jan. 97 122 322 4.4 5.0 6.8 Feb.	pr. Liscreft K. 10p. 56 26.2 pr. MFI Furnibre 10p 365 26.2 th Maple 10p. 22 578 uly Marris & Spencer 102 30.16 th only Utartin News 244 21.7 (20) Mercies (J.) 200 13.11 g	39 3310.4 32 Mar. Sept. Hailite 500. 227 91 0.9146. Apr. Sept. Hampson 50 215 27 3.1117.4 July Dec. Hawtor Sid. 30 215 240 4.6 6.7 Oct. Apr. Hill 8. Smith	. 64 12.2H3.5 3.8 8.2K4.2)	May Bentima	52 251.74 53 5.44 51 80 522.89 53 5.4 51 70 122 12.04 3.9 6.5 7.3 145 18.9 19.66 1.8 9.96.7 108 11.9 12.67 1.3 9.912.4 53 10.9 12.05 3.5 8.0 5.0
14 10(Conv. 3-39.6 %) Art. 38ad 33.2 9.69 — Ma.S.J.D. Bic. Montreal \$2. 5A 50 Treasury 3-96. 5A 23.2 d 23.2 d 23.2 d 23.2 49 — Ma.S.J.D. Bic. Montreal \$2. 5A A.J.O. L Bell Canada \$25. May New Bow Valley(I		3.8 May Nov. Brown Jiso 3.7 Jun. July Brown Jes 5.1 Dec. May Bryant Hidgs. 0.3 Aug. Jan. Burnett & H. 3.3 Oct. Agr. Burt Boulton	76 21 123 21 45157 Jan. 54 31 16 252 31 7.0 7.0 July 52 26 8 9 63 Feb 4	Michael (J) 10p 20 873 Milletts Leis 20p 146 — h bly Morris & Blakey 1772 1111 d ar, Mothercare 10p 156 1318 t bl. NSS News 10p 124 2112 up, N Van, Goldsmith 91 77:112	45.7 1.8 5.5 14.9 Nov. Mar. Howard Machy Oct. 1. M. I	34 252112 21 4.913.4 93 49 14.7 2.6 7.7 8.8 1. 24 1610 10.78 3.5 5.0 8.6 1. 58 123 3.68 2.6 9.5(4.7)	Jan, July Billam (J.) 10p. Jan, June Black Arrow 50p. May Oct Black (P) Hidgs Jan Gott Bogot Pel: A' 10p. Jan. July Booley McC. 50p	49 2711 1161 23 650 85 37 271 1161 23 650 85 213 210 1276 42 44 75 43 49 120 4 6 70 46 272 1111 7741 44 41 80
15F 15A 5pc Stock 77:82 831 ₂ st 16.11 5.98 10.89 July Jan. Con. Pacific S5 July Jan. Do 4pc Deb. 510 Jap. July Jap. Jul	. 25½ 1711 SL14	4.3 Jan. Joine C. Robey 'A' 11 2.5 Nov. July Cai'nder (GM) 1 1.9 June Jan. Carron	09 22 1311 134 28 9.1 5.9 6.7 6.6 7.0 Apr. 00 7.0 26 7.0 Apr. 00 7.0 26 7.0 Apr. 00 10 10 10 10 10 10 10 10 10 10 10 10	ec. Owen Owen	2.89 3.5 3.3 13.1 Aug. Mar. Jacken J&HB Se 1.96 2.2 4.9 15.6 Jan. Jonelis & Cattell 1.96 2.9 6.1 8.4 Dec. June Jones Group 10 2.0 2.9 6.1 8.4 Dec. June Jones Group 10 86 3.9 5.0 6.0 June Novel Laird Group	63 1112 130 47 31 81 61 27:11 4.76 17 11 9(6.2) 61 1610 3.63 0 8 9 0	May Nov.Boot (Henry) 50p Jan. July Boots. FeldyAuN's Borg W. USS2.50. July Nov.Bowczer £1 Jan. Aug Bradty Leslie 10p. Jan. Aug Bradty Leslie 10p. Jan. Aug Bradty Leslie 10p.	105 2710 6432 13133 60 222 2711 660 26 40154 194 [17.10] 500 4424 5 262 184 19.85 21 7.3 9.2 77 2711 64.88 29 9.5 41 56 78 31.53 - 24 -
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refrigeration equipment.

air conditioning and

FINANCIALTIMES

Monday March 19 1979



Iran will halt corruptly-made deals

BY ANTHONY MCDERMOTT IN TEHRAN

tracts in which evidence of essentially, the selection was corruption has been found, made by computer, or through warned Mr. Ali Akbar Moinfar, a private and restricted the Minister of State for the Planning and Budget Office.

He condemned the bribery involved in obtaining contracts in the past. He said: "This revolutionary government is not responsible for the wrong doing

He appeared to prefer, on balance, private to public tendering, but said that both systems would be used.

It is clear, however, that economic planning since the revolution is still at a pre-Mr. Moinfar said his office's liminary stage. Mr. Moinfar power list of 500 or so foreign and recently amounced that the local contractors would be budget for 1979-80—starting be revised. Previously, contracts March 21—would be done on a on

Post Office may offer full

THE ISLAMIC Government of were awarded either on a monthly basis, derived from last Iran will not honour any con-limited tender basis, on which year's expenditure of \$59.3bn. He suggested that because an undefined number of the more extravagant projects, along with military expenditure, would be cut, next year's budget expenditure would more likely be in the region of 75 or 80 per cent of last year's, between \$44.5bn

> trated on social welfare projects as low-cost housing, roads and power stations.
>
> Mr. Moinfar said there would

Expenditure would be concen-

However, the union's study,

now being considered by its executive, stresses the need for

a far-reaching programme of

modernisation and of market-

ing. In return for co-operation

in this programme, the union

wants no limit placed on its

members' security of employ-

emphasised strongly to the Post

Office the importance which we attach to the successful con-

clusion of such an agreement

because without it there would be the greatest difficulty in

mounting any sensible and fruit-

ful dialogue between the Post

Office and the union on other aspects of modernisation."

Union officials believe that if

successful, the agreement will

be ploneering in two ways; first, because of the no-limit clause,

and second, because the union

will directly relate its continued

health to the success and growth

of the business in which its

members work, and will seek to

promote actively that business, a

function generally regarded as

a management one.

because of a drop in income from customs duties. The budget would probably

now be run on a quarterly basis, and he hoped that after the first quarter the Planning and deficit in the coming fiscal year. Budget Office would be in a and emphasised that Iran would position to draw up a ninemonth budget for the rest of the year, and also establish which development projects would be continued, delayed or cancelled.

All projects were review, he said, but "fantasy considerable concentration projects" and the more extrava-developing agriculture gant hotel complexes are the

Revenues would also be reduced only specific items that he mentioned as being liable to cancellation.

He said the Government's intention was that there should be no balance of payments deficit in the coming fiscal year, not be seeking loans, on the international money market. Over the weekend, in his first

major speech on the economy, Ayatollah Khomeini said in Qom that the "economic system is bankrupt." In particular, he stressed that agricultural production should be raised.

BY DAYID FISHLOCK, SCIENCE EDITOR

ROYAL DUTCH Shell is to receive about \$60m (£29.5m) from Gulf Oil to settle one contentious aspect of its nuclear partnership, which has tween the two companies since the mid-1970s.

the partnership they formed the subject of complex litiga-

tion in U.S. courts. Agreement has now been reached for the uranium and light water reactor fuel supply business of General Atomic-the joint Shell-Gulf nuclear company-to "be operated for the account and

henefit of Gulf only."
Gulf is to pay \$60m in comuranium contracts at the heart of the arguments. The settlement leaves intact all other General Atomic acti-

Shell has been anxious to dissociate itself from the uranium contracts because of allegations since the partnership was formed that Gulf had been part of a cartel of uranium producers which Gulf has consistently main-

The uranium issue emerged as the two partners were beginning to settle serious differences over the contracts for nuclear reactors signed by General Atomic before Shell's arrival. These have cost Shell

Both issues have caused

incentives to settle their differences over the uranium contracts privately-not least of which was the fact that General Atomic is essentially a contract research organisation heavily dependent on U.S. Government funding.

For Gulf, the settlement means that it can fight its re-maining court actions with its there will be profit—will now accrue to Gulf.

Gulf Oil pays Shell £29m to settle uranium deal dispute

sly upset relations be-

This is the question of tranium contracts ante-dating in 1973. These are currently

vities on a 50-50 basis.

tained that it participated in uranium talks with other producers only at the request of the Canadian Government. Nevertheless. it was convicted in 1977 and fined \$40,000 in a U.S. anti-trust action.

about £300m.

serious strains between the top executives of the two. But the partners had strong

uranium and fuel customers without further reference to its nuclear partner. Any profit—and Gulf is confident that

State industries seek pledge on targets

affirm the Government's commitment to financial targets for in a bigger increase later. the nationalised sector.

The Government's decision

last week to allow the Price Commission to freeze domestic electricity prices for up to three months for an investigation is seen by the Nationalised Industries Chairmen's Group as a retreat from strict new rules designed to make nationalised industries pay their way.

Mr. Denis Healye, Chancellor of the Exchequer, recently assured the nationalised industries chairmen that the Price Commission would be over-ruled by the Government if it did anything to prevent indus-tries reaching their financial

That assurance was in the forefront of the electricity chiefs' minds when they heard that the Price Commission was planning an investigation into electricity prices. Departmental

North West England, Yorkshire and Trent because of strikes in laundries and sterile supplies Ministers were consulted in meetings last week. Sir Francis Tombs, chairman of the Electricity Council. was surprised that the Treasury did

MINISTERS will be asked this lieves the withholding for up to three months of price rises to nationalised industries to re-

The Council said: "Area electricity boards will not be able to meet their financial targets for the year 1979-80 without the imposition of even higher domestic tariff increases than were originally! planned later in the year. In the interests of our domestic customost anxious to avoid."

The Price Commission is anxious to make the most of its first general probe into electricity prices, and is expected to investigate as far as possible between now and the end of May. It wants particularly to know more about the area boards' accountancy methods, which it suspects are too conservative. It will also be interested in the costs of administering the area hoards and staffing levels compared with service to the public.

In view of the limited time the commission is expected to make special studies of perhaps two area boards out of the 12 in England and Wales.

The Electricity Consumers' Council has welcomed the elec-tricity prices freeze and the investigation. Mr. R. Coldwell, held up the Price Commission secretary, said the council had announcement for further con-been giving top priority to the sideration, but finally also de-price of electricity, which had cided against applying the veto. risen at a faster rate than off The Electricity Council berisen at a faster rate than other

Continued from Page 1

plan. His last appeal was to Mr. Anthony Wedgwood Benn,

Confidence vote

Three or four of them will the Government and if the rest decide to abstain, Mr. Callaghan will have lost. They key question is whether they will decide to support the Government-

party's tactics came af the weekend in speeches from Mr. Enoch Powell who is not the official leader of the group, but who exerts considerable influence over tactics. He is motivated partly by an extreme dislike for Mrs. Thatcher but this might not be enough to persuade his colleagues to troop into the

that there was no intention of

The hints dropped by the enigmatic Mr. Powell were that for an increased U.S. role in the Ulster Unionists might con-the security of the Middle East. sider it worthwhile keeping Mr. of the UK.

almost certainly vote against province, and if there was a North Sea gas supplies.

THE LEX COLUMN

Bidding banks get cheques ready

The decision of the U.S. Federal lights the question of the role the fact that only 10 per cent Reserve to approve the three of the official stock market in of the shares were placed initi-British bids for American banks dealing with small companies. removes much of the uncer- The virtual absence of small tainty which has surrounded companies seeking full listings them in the minds of investors.

It seems virtually certain that

Stock Exchange has simply Standard Chartered's \$372m bid ceased to appeal to the entrefor Union Bancorp will be con- preneur. summated this year and the same goes for NatWest, although the latter might have to buy out the minority in National Bank

of North America which could increase its bill from \$300m to \$400m. However, Hongkong and Shanghai still has to get the blessing of the New York State Superintendent of Banks, which is not going to be all that easy, given the tone of recent comments coming from that office. For the UK banks, at least, the Fed move will increase the

speculation on how Standard Charterd and NatWest are going to finance their prospective pur-chases. As the dollar has depreciated by over a tenth against sterling since the deals were initially announced, the cost has fallen in sterling terms, and the substantial goodwill element in both deals has also

However, both banks still have to find close to £200m apiece (assuming NatWest buys full control of NBNA). Given the current market capitalisa-tions of Standard Chartered (£334m) and NatWest (£780m) the amounts involved are fairly substantial and can only increase the speculation that sooner or later both banks will return to the rights issue list. They last appeared in 1976 when NatWest raised £66m and Standard Chartered £32m. Of the two, Standard Chartered seems the more

immediate candidate. It has raised just over £100m of sub-ordinated debt over the past couple of years and has scope for issuing maybe another £50m of debt assuming its shareholders' funds are currently over £400m. However, the \$180m worth of goodwill which it will have to consolidate will put pressure on its free capital

It anounces its end-1978 results in less than a month's time. And with the share price currently trading close to its highest levels for three years, Standard Chartered's Board will no doubt be watching closely he stock market's reaction to

Unlisted markets

on to the unlisted market, which another

There is, to take just one example, a whole new modern industry in computer services and software which is almost unrepresented on the stock market. It is an industry which investors are prepared to value extremely highly, to judge by the current fully taxed p/e ratio of 30 on ACT. The encouragement given to the unlisted market shows that the Stock Exchange Council is ready to move cautiously in this direction. But in doing so the Stock Exchange is courting serious dangers: however tempting a two-tier market may look in theory, it will be very difficult to get two sectors to cohabit satisfactory under one roof.
Business in unlisted shares

under Rule 163 (2) has been expanding quite rapidly in recent months. In the second quarter of 1978 turnover was about £0.5m a week, but by the end of the year this figure had risen to around £1m and now weekly turnover is up to the £11m-£11m area, which represents about 450 bargains. This remains tiny in relation to Stock Exchange equity business as a whole, which in the past fortnight has boomed to a level of around £150m a day. Neverthe-less, some of these ostensibly unlisted shares are traded more extensively than those of many of the several thousand quite small companies which retain a

full stock market listing. There is therefore a clear possibility that listed small companies will start to desert to the unlisted market on a significant scale, jettisoning the burden-"Yellow Peril" listing some agreement. Exchange's regulatory authority would then become undermined,

and it would take only a few juicy scandals among the unlisted sector to start a political bandwagon rolling inexorably towards the establishment of a U.S.-style Securi-

ties and Exchange Commission. The launch of ACT provided some examples of the high jinks which are inevitable in a fringe stage. But if it develops much market. Placed by Singer and further the Stock Exchange will the news that it can proceed Friedlander at 95p, the shares with its bid. Friedlander at 95p, the shares promptly more than doubled inside two days to reach 194p. To be fair, big premiums have the upheaval that would mean. Last week's "flotation" of also been seen at times on the Applied Computer Techniques official market — notably on to the unlisted market, which another "technology" high-

ally, in contrast to the irksome Stock Exchange rule that at least 25 per cent of a company should be sold in an official

In marketing ACT, Singer and Friedlander produced a lengthy prospectus, including a report by Peat Marwick Mitchell. The bank also arranged for the directors to sign a sponsorship agreement, which duplicates some of the provisions of the Stock Exchange listing agree-ment. This is fair enough as far. as it goes, but should such issues become at all common-place it is going to be very hard for investors to keep track of where such agreements exist, and whether they can be

Small companies

The Stock Exchange is being hand prospects for the small company sector look brighter than for some time. Many more organised and motivated to dabble in small companies partly because of the kind of politico - economic arguments which have been aired in the Wilson Committee evidence. partly for the simple reasonhave been performing well. Now floiations such as that of ACT have proved to potential company promoters that the right kind of issue can command a really attractive price.

Moreover the Stock Exchange dares not allow an unregulated : rival market grow up on any appreciable scale, for that would threaten its central role in the securities market, and undermine the practicability of selfregulation in the City.

On the other hand, the Stock-Exchange will not wish to take on any responsibility for the unlisted companies. The fear will be that for all the cries of careat emptor any future at scandals are still likely to rub off to some extent on the official market. Can the public be expected to appreciate the techni-calities of the difference between a listing and a mere " facility for dealing "?

As things stand, the Rule 163(2) unlisted securities manket is still at an experimentalhave to decide whether it should be turned into the formal second shelters under the Stock Ex- filer Eurotherm. But volatility 163(2) as a halfway house on the change's Rule 163 (2) (a), high- was bound to be increased by the route to a full listing.

Weather

UK TODAY

CLOUDY over England and Wales, clearing with scattered showers in the South. Wintry showers and some sun in the North and Ulster. Max. 9C

London, S. England, E. Mid lands, Channel Isles Some early fog with bright intervals. Some sleet or snow

Wales, N., E. England, W. Mid-lands, Ulster, Isle of Man Occasional sleet or snow showers with sunny intervals developing in the North, East and Ulster.

Scotland and Shetland Sunny intervals with some wintry showers. More general rain or sleet later in the North and Shetland.

Outlook: Sleet or snow tending South followed by bright intervals and showers. Cold with night frosts.

WORLDWIDE

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job security to union THE POST OFFICE may shortly retraining to keep pace with rapidly changing technology security of employment, without a time limit, to the 120,000 plus members of the Post Office and demand patterns. The agreement is being negotiated following two studies, one Engineering Union. made by the Post Office, one by the union, of the impact of new, especially microelectronic tech-The two sides are negotiating a job security agreement, which will be part of a package of measures aimed at achieving nology on telecommunications, and its effect on employment. progressive modernisation of Talks on employment guaranthe telecommunications network tees started last year, when the over the next ten years. While the corporation has so far formally offered only a ten year no-redundancy agreement, the POEU believes that it will soon concede a no-limit clause because of the need to get full union co-operation in its modernisation programme.

corporation suggested a fiveyear limit, which was rejected. Following the union's industrial action last September, talks on an agreement were restarted. Mr. Ted Webb, deputy general

ment which would embody these various objectives will result from our negotiations."

At the same time, the corporation had completed its study, published internally and known as the Yellow Book, in which secretary of the union, said: it shows employment for union grades remaining relatively stable over the next 10 years, 'It is expected that an agree-

In return for such a guarantee, and subject to the agreement of its annual conference in June, the union would undertake to accept a substantial its offer on the job security amount of job relocation and

Ambulance and hospital staffs threaten to step up pay action

BY PAULINE CLARK, LABOUR STAFF industrial action over pay. In addition, the two biggest

Civil Service unions, with a

combined membership of more than 330,000, are threatening a widespread stoppage on Wednesday if the Scottish Office carries out its plan to suspend 40 accounting staff in Edinburgh. Both unions are issuing instructions today for a total stop-

page in Scotland with mass protest rallies if the 40 are sent home for refusing to carry out the work of striking computer They are also asking for midday meetings of civil servants throughout the rest of the coun-

ahead. Government proposals to give nurses an extra £1 on account hefore comparability study will

tion over pay.

Cabinet Ministers are believed to have proposed £2 on account to the nurses plus a 9 per cent offer after last week's Commons debate on nurses pay. use vol The biggest two unions for tinued.

appeared to have been no move-ment on one of their main demands for the first tranche study this April on their usual

though rising slightly in the next two years and dipping

slightly towards the end of the

Because of this study, the

corporation was able to increase

lic service workers. More money "on account" would also do nothing to solve the problem of part-time hos-

try when widespread action is

use volunteers while action con-

'Tough line' advice

to engineering chiefs

EMPLOYERS in more than which would have more rele-

to be advised in a special from local pay negotiations circular this week to take a which take place throughout the

not be tolerated for more than industrial action. In addition,

a few days-and that a warning there should be no special

with a period for reflection treatment for workers hit by

BRITAIN FACES a week of in-creasing disruption in public Nursing and the Confederation men were said to have decided services as ambulancemen and of Health Service Employees, hospital workers plan to step up pointed out yesterday that there

Indefinite strike

The National Union of Public Employees is continuing selective industrial action over pay among its hospital ancillary workers and ambulancemen in spite of agreement to accept the offer by other unions. It warned yesterday that the extra £1 on account for nurses could only increase militancy among those

serious

pital staff, including nurses,

evnected if the suspensions go It also seems unlikely that do much to quell their frustra-

BY PAULINE CLARK, LABOUR STAFF

tough line on industrial action. year.
They will be told, for Emerample, that industrial action that

6,000 engineering companies are

such as go-slows, refusal to work

normally and blacking should

sion without pay if workers do

putes and industrial relations

to all members of the Engineer-

a firmer and more united stand

prepared by a special working

party set up last year by the

federation and their appearance

will coincide with this week's

Mr. Anthony Frodsham, direc-

tor general of the federation,

there was "no magic timing"

said yesterday, however, that

The guidelines have been

against abuse of union power.

not respond.

of payment from a comparability pay anniversary, rather than in August as proposed for all pub-

who would not qualify.

already taking action. The union has already threatened to step up action by hospital workers this week in response to the Government's announcement last week that it would encourage hospitals to

vance to any disputes arising

Employers will be advised

that there should be no delay

in laying off other employees to

limit a company's losses during

policy that emergency services should be maintained. In West Yorkshire, 19 of the

23 stations were reported to be affected. Other areas facing disruption included mid-Glamorgan, Man-Powys, Gloucestershire and

Emergency services in the worst hit areas are being operated by army and RAF ambulances with help from voluntary organisations such as the Red Cross and St. John Ambulance Brigade. Police are

providing escorts. The Department of Health and Social Security said that the ambulancemen's action "fragmented." and decisions on how to operate emergency services were being taken locally. The Department said less than 500 of Britain's 2,300 hospitals were still limiting admissions

because of action by NUPE's hospital ancillary staff. It said. however, that the situation was "very difficult" in

Continued from Page 1 Mid-East

lishing autonomous government for the Palestinians living on the occupied West Bank and

Press is making no effort to woo King Hussein. The newspaper, Al-Ahram, prompted by the king's meeting on Saturday with Palestine Liberation Organisation leader Yasser Arafat, accused Hussein of having his hands stained by Palestinian blood, while Al-Akhbar urged him to stop "clowning" and return to his senses.

should be followed by suspen- the action, such as agreements to pay lay-off pay, compensation for lost wages, loans or The new code of practice for other benefits to cushion the employers' conduct during dis- effects of the action. Urging a united stand by emcrises is being sent in a booklet ployers, the federation calls on members not to recruit strikers ing Employers' Federation, from other companies during which wants employers to take strikes, nor to take over the work of companies hit by action. It asks them to refrain from totally dominates the assembly.

putting pressure on supplying companies to make an unsatisfactory compromise settlement to end a strike. On the question of the emresumption of national pay negt-tlations in the engineering stewards, the booklet says: industry.

"Abuse of the position and powers of stewards should not be accepted. Concessions in bargaining should not be motivated by a desire to enhance the presin the issuing of the guidelines tige of stewards."

Energy Secretary. Mr. Benn held up the Price Commission announcement for further con-The Egyptian semi-official

Contrary to earlier expectations, the Egyptian People's Assembly (Parliament) will not vote on the peace treaty before it is signed by President Sadat in Washington next week. It will be asked instead to ratify the document-a foregone conclusion, as Mr. Sadat's 316-strong National Democratic Party

James Buchan reports from Jeddah: Mr. Brzenzinski left Riyadh yesterday after talks with King Khaled, Crown Prince Fahd and Prince Saud al Faisal, the Foreign Minister, with little to show for the attempt to enlist Saudi support for the proposed peace treaty between Egypt and Israel, linked with proposals

and if so, for what reason. A veiled indication of the

Government lobby.

The 10 Ulstermen hold the Callaghan in office if he could offer progress towards local government reform in the promise to build a pipeline to connect Ulster with cheap The initial reaction of Minis-ters to the pipeline scheme was

> devolution game, but Tory MPs were suspicious that Mr. Callaghan might grasp at any straw in order to stay in office. Mr. Powell stressed in a speech in Northern Ireland on Friday that the pipeline was commercially viable and there was no single decision that could benefit the province more. The attraction of the pipeline would be to cut fuel costs in the province, which are appre-

for tomorrow's accommodistion-today!